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# Daily Report

# East Asia

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## East Asia

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## Japan

### Fujii, Mieno Leave for Frankfurt G-7 Meeting

*OW2502064594 Tokyo KYODO in English 0603 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Finance Minister Hirohisa Fujii and Bank of Japan (BOJ) governor Yasushi Mieno left Friday [25 February] for Frankfurt, Germany, for meetings with their counterparts from other Group of Seven (G-7) economic powers Saturday. Both are scheduled to return home from the G-7 meeting Sunday.

### No 'Plan To Discuss' Surplus

*OW2502034594 Tokyo KYODO in English 0329 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Finance Minister Hirohisa Fujii said Friday [25 February] he does not plan to discuss specific prospects for reducing Japan's current account surplus when he meets U.S. Treasury Secretary Lloyd Bentsen this weekend at a conference in Germany.

The government's forecast for the surplus, as a percentage of gross domestic product, "is not something to discuss" with Bentsen or at Saturday's meeting in Frankfurt of finance leaders from the Group of Seven (G-7) leading industrial nations, Fujii told reporters after a morning cabinet meeting.

Fujii said he expects to meet his U.S. counterpart "face-to-face" before the multilateral meeting and will explain the recent 15.25 trillion yen economic-stimulus package, which includes 6 trillion yen in tax cuts. Deregulation and measures such as the tax cuts to stimulate domestic demand "will have a great significance" in the medium term to reduce Japan's surpluses, he said.

Some government and ruling coalition leaders have recently hinted that the surplus forecasts could be used as "effort targets" in Japan-U.S. trade talks, which bogged down over targets to measure progress in opening Japan's markets.

Instead, Fujii said he plans to explain the stimulus plan to Bentsen.

"If there is a misunderstanding" that the 6 trillion yen tax cuts are a one-time measure, Fujii said, he would try to explain that the cuts are to be part of a full-fledged tax reform.

Fujii noted that the coalition agreed, and the cabinet endorsed, a plan to enact balanced tax reform by the year's end that will reduce the burden of direct levies such as incomes taxes and increase indirect taxes such as the consumption tax.

"As fellow human beings, if we meet face-to-face, I think I can get him to understand how we feel," he said. He said he has been in contact with Bentsen on "various matters" but declined to elaborate.

Asked how much understanding he could expect from his U.S. counterpart with reports circulating that Prime Minister Morihiro Hosokawa plans to reshuffle the cabinet, Fujii said he would ask Bentsen to trust him as finance minister.

Fujii said the bilateral meeting might take place Saturday morning before the G-7 talks begin, adding that it would be "rude" to ask Bentsen to meet the night before.

Asked about the high yen, Fujii repeated that G-7 finance ministers and central bankers have agreed that rapid currency fluctuations are undesirable and that foreign exchange rates should reflect economic fundamentals. It is their "common understanding" that drastic swings in a single nation's currency rate are undesirable not only for that country but for the world economy, he said.

The major topic of the G-7 talks will be aid to Russia, with discussions to include conditions for disbursement of multilateral aid, he said. Large chunks of already-approved aid funds have been held up over Moscow's political and economic turmoil.

Russian representatives are to meet with G-7 finance officials after the G-7 talks.

### Kubota Cites Ways To Shift Trade Balance

*OW2502040294 Tokyo KYODO in English 0333 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Japan's economic planning chief called for effective use of both macroeconomic and microeconomic measures Friday [25 February] as a way to reduce the nation's huge current account surplus. The large Japanese surplus is not "satisfactory" for the global economy, Manae Kubota, director general of the Economic Planning Agency [EPA], told a regular press conference.

As one of the macroeconomic measures, the EPA will hammer out ways to shift huge individual savings in Japan to housing investment and social infrastructure, Kubota said.

The booming housing sector has a great potential for further demand, she said.

Quicker improvement regarding the current account balance could come with deregulation and other microeconomic policies that have "sharper" effects on a short-term basis, she said.

Kubota cited import promotion and government procurement as possible microeconomic areas in which the government could take more action. She said the EPA will include these macro and microeconomic measures in a market-opening package to be unveiled by the government by the end of March.

Kubota reiterated that the 2.8 percent forecast by the government as the ratio of the current account surplus against gross domestic product (GDP) in fiscal 1994, starting April 1, is not a target but is only a reference figure. Such an area is not within government control, she said, noting that a country's trade balance is affected by external factors such as the international situation and economic activities of foreign countries.

She said Japan's current account balance figures have failed to meet original government projections in most years since fiscal 1955.

Kubota called for effective use of her agency's trade ombudsman system in monitoring Japan's trade balance changes. The office of trade and investment ombudsman was inaugurated Friday as a way to gauge the openness of Japan's markets.

## Reportage on Market-Opening Issue Continues

### Takemura on Liberalization Timing

*OW2502024194 Tokyo KYODO in English 0223 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Prime Minister Morihiro Hosokawa wants measures on further liberalizing the Japanese market to be decided by the end of March, Chief Cabinet Secretary Masayoshi Takemura told reporters Friday [25 February].

Cabinet ministers, including Foreign Minister Tsutomu Hata and International Trade and Industry Minister Hiroshi Kumagai, gathered at Hosokawa's official residence Friday to start determining the specifics of an earlier-announced government plan to open up the domestic market.

Aimed at overcoming the deadlock in Japan-U.S. "framework" trade talks, the plan includes encouraging imports and investment, lifting regulations, facilitating the procedures involved in government orders and spurring competitive policies. The government hopes the measures will help allay criticism mounting in the United States over Japan's huge trade surplus, and stave off the possibility of U.S. retaliatory measures.

The Japanese officials started discussions on the government's policy to introduce liberalizing measures for the automobile, auto parts and insurance markets—three areas in which Japan spurned U.S. requests to set "numerical import targets."

### Cabinet Meeting Discusses Measures

*OW2502041594 Tokyo KYODO in English 0331 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Japan will formulate a set of fresh measures to open its markets further to foreign competition by the end of March, Chief Cabinet Secretary Masayoshi Takemura said Friday [25 February].

The decision emerged at a meeting of related cabinet ministers held at prime minister Morihiro hosokawa's official residence.

The top government spokesman quoted the premier as telling the meeting that it is natural for Japan to take necessary market- opening steps on its own volition, regardless of its trade negotiations with the United States.

Takemura told a news conference the planned government package will not only cover four areas pinpointed earlier but will also include other necessary measures to further open Japan's markets.

The government said last week it will map out a program to speed up deregulation, strengthen import and investment promotion steps, revamp competition policy and improve government procurement processes.

Friday's meeting brought together Hosokawa, Takemura and chiefs of the foreign, finance, trade, posts, health and transport ministries, as well as those of the Economic Planning Agency and of the Management and Coordination Agency.

The schedule of the next such cabinet meeting is not yet fixed, Takemura said.

The cabinet meeting came as the U.S. is increasing pressure on Japan to slash its huge trade surplus following the collapse of bilateral trade talks.

On February 11, Hosokawa and U.S. President Bill Clinton failed to strike a deal on ways to cut Japan's trade surplus with the U.S. Tokyo spurned a demand from Washington to set numerical targets to gauge the openness of its markets to imports.

Asked if Japan will maintain its position of refusing numerical targets in working out a fresh market-opening package, Takemura said, "of course, that's our basic stance."

He said no ministers referred in their meeting to an idea of setting nonbinding targets for measuring progress in opening Japan's markets.

Takemura also said they did not discuss a proposed dispatch of a special envoy to the U.S. to break the deadlock over trade.

### Kumagai Says 'Efforts' Needed

*OW2502040994 Tokyo KYODO in English 0334 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—International Trade and Industry Minister Hiroshi Kumagai said Friday [25 February] Japan needs to show it is making efforts to open its markets if it is to avoid a trade dispute with the United States.

Kumagai was asked at a news conference to comment on a move by some U.S. lawmakers to introduce a bill aimed at reducing the U.S. chronic trade deficit with Japan.

"The move had been expected in the aftermath of Japan saying 'no' (to U.S. demands) at the Japan-U.S. Summit. It is important for Japan to demonstrate it is making efforts to open its markets so that we can avoid an exchange of retaliatory measures," Kumagai said.

Kumagai revealed he has urged the auto industry to map out a voluntary plan to expand purchases of U.S.-made auto components.

Washington's displeasure over Japan's stance has been "significantly strong," he said, adding that the industry should play a leading role in improving the situation. He said he expects automakers to make "a wise judgment" on the matter.

Kumagai also voiced the government's resolve to do whatever it can do to expand Japanese auto imports from the U.S. He said it is not convincing to ignore everything that the U.S. says about the matter by citing the principle of free competition.

### Move 'To Head Off' U.S. Conflict

*OW2502074094 Tokyo KYODO in English 0705 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Japan will devise a package of measures to further open its markets by the end of March in a move to head off further conflict with the United States, government officials said Friday [25 February].

Foreign Minister Tsutomu Hata said the package will feature a plan to whittle down Japan's current account surplus to 2.8 percent of the gross domestic product (GDP) in the new fiscal year. "As long as Japan runs as much as 59.3 billion dollars of surplus with the U.S., we cannot have understanding from the international community," he told reporters after a special cabinet meeting on the trade dispute with the U.S.

Hata quickly added that the figure is a goal, not a pledge. "We cannot make a pledge on such matters because of volatile factors such as foreign exchange and interest rates," he said.

The proportion cited by Hata is an official target announced earlier in the government's economic forecast which covered a broad range from economic growth, to prices, to trade balances.

Japan's current account surplus was 3.32 percent of the gross national product (GNP) in fiscal 1992 and 2.62 percent in 1991. The proportion is estimated at 3.1 percent for the year ending March 31. GDP represents GNP minus net inflow of income from abroad.

At a press conference after the special cabinet meeting, Chief Cabinet Secretary Masayoshi Takemura quoted Prime Minister Morihiro Hosokawa as saying it is natural for Japan to voluntarily do what it can, regardless of its trade negotiations with the U.S.

The collapse of the bilateral "framework" trade talks earlier this month refueled U.S. anger over what it perceives as exclusive markets in Japan. A couple of days after the talks broke down, Washington threatened to impose sanctions over a bilateral feud concerning Japan's cellular phone market.

Washington is moving to revive the Super 301 provision of a 1988 trade act which authorizes the government to identify and retaliate against "unfair" traders. Refusing to yield to such pressure, at least on the surface, Hosokawa has repeatedly said Japan will pursue market liberalization regardless of external prodding.

The newly planned market-opening measures will not only cover the four areas pinpointed earlier but contain other necessary steps such as a review of Japan's 10-year plan to spend a total of 430 trillion yen on public works projects, Takemura said.

The earlier-announced measures involve further deregulation, promotion of imports and foreign investments, acceleration of government procurement processes, and revamped policy on competition.

Friday's meeting brought Hosokawa together with Takemura, Hata, and other chiefs of the ministries of finance, trade, posts, health and transport, as well as chiefs of the Economic Planning Agency (EPA) and the Management and Coordination Agency.

Trade Minister Hiroshi Kumagai also told a separate press meeting that the need to draft the package had been felt since the moment the prime minister said "no" to the U.S. demand to fix quantitative targets for Japan's imports at the February 11 talks with U.S. President Bill Clinton.

Kumagai reportedly told the cabinet that not only market-opening steps, such as deregulation, but macroeconomic steps should be included in the package.

EPA Chief Manae Kubota opposed the proposed inclusion of the 2.8 percent surplus-to-GDP proportion in the package. She told a press conference that few of past government surplus targets have been realized since the agency started compiling such figures in 1955.

### Tokyo Critical of U.S. Move To Enact Sanctions

*OW2502102694 Tokyo KYODO in English 1011 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The Japanese Foreign Ministry on Friday [25 February] rapped moves in the United States to draw up a bill targeting trade with Japan, saying it is "unproductive" that Washington would draw such a bill unilaterally.

"We think it is unproductive that the United States would draw up these bills unilaterally," Foreign Ministry spokesman Terusuke Terada said. He said the Japanese Government is making efforts to hammer out voluntary measures to open up its market, holding a cabinet-level meeting earlier in the day to discuss the matter.

Terada was commenting on moves by a group of U.S. lawmakers led by House Majority Leader Richard Gephardt Thursday to introduce legislation requiring the U.S. Government to retaliate against Japan unless the Japanese meet some U.S.-set import targets.

The bill, or the Fair Market Access Act of 1994, requires the Commerce Department to define "objective criteria" for what the U.S. feels would be a fair market share in Japan for U.S. products. The bill was the second salvo this week from Congress on the troubled U.S.-Japanese trade relationship.

On Tuesday, two key U.S. senators on trade matters submitted legislation to revive the so-called "Super 301" trade law, a measure that would require the U.S. Government to cite unfair foreign trade practices on an annual basis and retaliate if no settlement is reached through negotiations.

Terada said the U.S. understanding that past bilateral agreements with Japan have had no results at all is wrong, saying there is "clear proof" that the two sides have made steady results out of the past arrangements.

As such proof, he cited that Japan is the second largest market for exports of U.S. products and that NTT's [Nippon Telegraph & Telephone] procurement of foreign goods has increased 46 times over 13 years ago when an agreement was made.

He also said there were 11 cases in 1993 in which Japan purchased supercomputers and that six of them were U.S.-made supercomputers.

"So we can't understand the discussion on the other side of the Pacific Ocean that the past arrangements were ineffective, or that there were no results," Terada said.

## Former Premier Miyazawa on Japan-U.S. Ties

*OW2502125194*

[Editorial Report] Tokyo FNN Television in Japanese at 2318 GMT on 19 February in its "News 2001" program carries a live 33- minute interview with Former Prime Minister Kiichi Miyazawa by FNN announcers Yuji Kuroiwa and Kaori Matsuyama, political commentator Kenichi Takemura, and Keio University Professor Yoshiaki Kobayashi at the FNN studio in Tokyo, with frequent and lengthy commercial messages.

Asked by Kuroiwa about the present state of Japan-U.S. relations, Miyazawa says: "I am worried about the relations. This is not the time for the prime minister to say that an adult Japan-U.S. relationship has been built. It is important to bring Japan-U.S. relations back to a normal state." Miyazawa also says: "Japan-U.S. relations are important to the two countries and the two countries should give consideration to their importance."

Asked by Kuroiwa to comment on the breakdown of the Japan-U.S. framework talks, Miyazawa says: "It is wrong for the United States to stick to its demand for setting numerical targets. I told President Clinton when we met last April that numerical targets are no good. The President expressed an understanding of my view. It is said that the President did not ask for numerical targets at a meeting with Prime Minister Hosokawa." Miyazawa also says although he does not know the details, the President and Prime Minister Hosokawa had enough time to bridge the differences between the bureaucrats of the two countries. On the breakdown of the Japan- U.S. framework talks, Miyazawa says, "Given the importance of Japan- U.S. relations and the responsibility of the two countries to the international community, the breakdown of the framework talks is not a good thing."

After a brief interview via satellite with an unidentified American researcher on future Japan-U.S. relations, the subject returns to Japan-U.S. trade friction. Discussing the trade friction, Miyazawa says, "Japan must keep in mind that relations with the United States have reached the point where the United States is now applying pressure on Japan to change its trade stand."

Discussing Japan-U.S. trade friction, Miyazawa says: "I believe that what is at issue is the relationship between the leaders of the two countries. Since Japan and the United States are contacting each other in a broad range of areas, some problems are bound to arise in certain areas and I believe it is normal that such problems are arising. It is important for the two countries to restore a venue for dialogue."

Miyazawa also says: "I believe that Japan should expand its domestic demand. Taken individually, Japan has no choice but to deal positively with the issue of automobile, government procurement, and insurance one by one. The figure of $50 billion or $60 billion in Japan's trade surplus with the United States cannot be drastically reduced. Japan has no choice but to take efforts to reduce the trade surplus and work to have the United States understand its efforts."

Asked by Murayama to comment on Japan's moves to take its case to GATT if the United States imposes sanctions on Japan, Miyazawa says: "It is good for Japan to do so. What the latest GATT multilateral negotiations concluded is that the 1988 Omnibus Trade Act's Super 301 provision runs counter to GATT rules. The United States has been told by GATT not to restore the provision. Nonetheless, the United States still intends to restore the provision, and this is problematic. I believe that it is good for Japan to take its case to GATT if the United States slaps sanctions on Japan."

Discussing Japan-U.S. trade friction, Miyazawa says: "European nations think that numerical targets are ridiculous. If Japan takes its case to GATT and a GATT arbitration panel is set up, Japan can win. European nations are saying that $60 billion in Japan's trade surplus with the United States is too huge and the Japanese market should be opened wider."

After a brief interview via satellite with an unidentified American researcher, the subject returns again to Japan-U.S. trade friction. Asked by Takemura to comment on U.S. criticism of the Japanese bureaucracy, Miyazawa says: "This time, the President criticized the Japanese bureaucracy. It is reasonable for the President to intend to accomplish a lot during his term of office. The President criticized officials of the Ministry of International Trade and Industry. I think his criticism was an expression of his view that Japanese politics should exercise leadership more aggressively."

Discussing future Japan-U.S. relations, Miyazawa says: "Trade relations between the two countries are a part of Japan-U.S. relations. What is most important for Japan's diplomacy is to maintain friendly relations with the United States. The United States places its relations with Japan at the top of its foreign policy agenda. Since the two countries have contacts in a broad range of areas, some problems are bound to arise and the problems will not disappear. The two countries are aware of this. Leaders of the two countries should work to prevent the people of the two countries from feeling unfriendly toward each other."

Commenting on Japanese bureaucracy, Miyazawa says: "The Japanese bureaucracy is very good at doing what is precedented, but it is not good at doing something new. I think that doing something new should come from the political leadership."

Discussing a realignment of the political parties, Miyazawa says, "There will be no realignment of the political parties within this year." Miyazawa also adds: "Some have argued for amending the Constitution to promote Japan's military buildup. I think that the economically effective military buildup is the development of nuclear weapons and this is what Japan can do. If Japan posses the nuclear weapons, it should not use them. If it does not use them, it would serve nothing. The management of nuclear weapons is very difficult. If Japan was a dictatorial nation, it could easily develop them. Japan should not become such a nation. It is very difficult for any nation to keep its deterrent without using the nuclear weapons. I believe that Japan should not develop such nuclear weapons."

The interview ends at 2351 GMT.

## BOJ Report on Inflation Threat to U.S. Economy

*OW2502111294 Tokyo KYODO in English 1041 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The United States could face unexpected economic problems if interest rates continue to rise amid inflationary concerns, the Bank of Japan (BOJ) said Friday [25 February].

The U.S. economy "remains in a steady growth trend" since it posted a six-year high growth of 5.9 percent in its real gross domestic product (GDP) in the final quarter of 1993, the Japanese central bank said in its monthly overseas economic report.

But with the strong growth increasing inflationary pressure, the Federal Reserve Board recently announced a "preemptive" monetary policy change, sending short- and long-term market rates higher, the report said.

The best scenario the U.S. appears confident to attain is to slow down real GDP growth to the 3 percent level in 1994 with stable prices, a BOJ economist said.

But that "scenario could fail if long-term rates continue to rise firmly," he said.

Turning to European nations, the central bank said in the report that the British economy is maintaining a "moderate recovery led by personal consumption."

Germany and France "have yet to grasp clear clues for an economic recovery with domestic demand again turning stagnant since early autumn amid continued tough labor adjustments," the report said.

The BOJ official said both nations could see some bright signs again in summer, particularly in Germany, where the Bundesbank is expected to maintain its "cautious" credit easing to support the economy while preventing inflation, he said.

Asian nations are continuing to grow strongly led by China, the report said.

China is maintaining "high growth driven by capital investment," posting a hectic 13 percent expansion in 1993. But inflation also remains over 20 percent.

This was despite Beijing's efforts to stem overheating to stop inflation.

South Korea is posting a "clearer recovery, bolstered by increased exports and construction spending," the report said.

Other newly industrializing economies (NIEs) and countries of the Association of the Southeast Asian Nations (ASEAN) are maintaining "relatively high growth on the whole, supported by expansion of intra-regional trading and of infrastructure-related investment."

## Honda on More Exports From U.S. 'Transplant'

*OW2402031094 Tokyo KYODO in English 0229 GMT 24 Feb 94*

[Text] Tokyo, Feb. 24 KYODO—Honda Motor Co. will try to boost exports from its U.S. Ohio transplant this year by 80 percent from last year to 75,000 vehicles, positioning it as the largest auto exporter in the United States, a company official said Thursday [24 February].

"We will be increasing exports to Japan of our Accord and Civic models from Honda of America Manufacturing Inc. Our decision was backed by strong demand in Japan, as well as by the appreciation of the yen against the dollar," the official said.

The decision was also made in line with the commencement of sales in Japan on March 1 of Ohio-made Accord wagons and Accord coupes, he said.

Honda of America's top export regions will be Japan, followed by Taiwan, Europe, Israel and Latin America. A few more countries in Latin America could be added to the U.S. unit's current list of 28 export countries, bringing the total as high as 32, the official said.

## Mold, Discoloration Said Found in Imported Rice

*OW2502142094 Tokyo KYODO in English 1346 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The Food Agency said Friday [25 February] it has found mold or discoloration in 141 tons of imported table-use rice out of 50,000 tons of rice distributed to local prefectures in February.

Of the total, the agency found that of 14,000 tons of rice imported from California, 1.7 tons had mold.

Such rice was found in local bureaus in Chiba, Gifu, Aichi, Kochi and Kagoshima Prefectures.

The agency said the rice in question reached Tokyo and Kobe ports in December.

As for imported rice from China, the agency found mold in 0.6 tons of rice out of 16,000 tons. It also found discolored rice, which had turned brown or black, in 139 tons of rice from China.

Such Chinese rice was found in bureaus in 11 prefectures, including Shimane, Okayama, Hiroshima, Fukuoka and Saga.

No problems were found with Thai rice in local bureaus as the produce had been checked before being sent to outlying areas.

The agency said the amount of problem rice was within the expected limit, noting, "it is inevitable to have (some) mold after transportation on the sea surface."

It said problem rice has not been passed on to consumers.

Japan recently began importing rice on an emergency basis due to a bad crop last year owing to unusual summer weather.

## Hata Plans To Meet With Yeltsin, Kozyrev

*OW2502033794 Tokyo KYODO in English 0322 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Foreign Minister Tsutomu Hata will visit Russia from March 19 to 21 for talks with Russian President Boris Yeltsin and Foreign Minister Andrey Kozyrev, government officials said Friday [25 February].

Japan and Russia have been working out the schedule for the trip after Japanese Deputy Foreign Minister Hiroshi Fukuda and his Russian counterpart Aleksandr Panov earlier this week agreed on Hata's visit in March. Fukuda and Panov agreed during two days of meetings in Moscow to promote political dialogue between the two nations and continue talks on a long-standing territorial dispute involving four Russian-held islands off Hokkaido.

Conditions for Hata's visit were set after Yeltsin vowed Thursday in an address to Parliament to continue efforts to settle the territorial row with Japan and conclude a peace treaty, the officials said.

Japan claims sovereignty over Etorofu, Kunashiri and Shikotan islands and the Habomai group of islets, which the former Soviet Union seized at the end of World War II. The dispute has prevented the two sides from concluding a peace treaty.

But analysts say Tokyo and Moscow are unlikely to achieve any major breakthrough on the territorial row during Hata's visit because ultrarightists and conservatives, opposed to returning the islands to Japan, dominate the new Russian Parliament.

During his visit, Hata may also meet Russian Prime Minister Viktor Chernomyrdin and other leaders of Parliament, the officials said.

Hata is expected to voice Japan's support for Russia's reform efforts and shift toward a market-oriented economy in his talks with Russian leaders, they said.

He is also likely to discuss promoting personnel exchanges between the two nations, they said.

## Ministry Reports Russia Releases 21 Fishermen

*OW2502112694 Tokyo KYODO in English 1046 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Russia on Friday [25 February] released 21 Japanese fishermen detained for encroaching in its territorial waters off Japan's northernmost main island of Hokkaido since last May, Foreign Ministry officials said.

Patrol boats from Japan's Maritime Safety Agency escorted the fishermen from the Russian side off Shikotan Island, one of four disputed Russian-held islands, at around noon, the officials said.

The two patrol boats returned to Nemuro, Hokkaido, on Friday night.

The release brought the number of Japanese fishermen still detained in Russia to 23, the officials said.

Of the 21 fishermen, four were detained May 18, one May 22 and the other 16 February 7.

They were detained in waters near the four disputed islands, the officials said.

The first four fishermen were captains of No. 3 Shoryo Maru, No. 8. Ryuho Maru, No. 23 Shinei Maru and No. 11 Hirafu Maru.

Another captain of No. 51 Seisho Maru was detained May 22.

Those detained earlier this month were crew members of No. 58 Aiei Maru and No. 53 Kimi Maru, the officials said.

### Lack of Translators Limits Siberia Air Traffic

*OW2502120794 Tokyo KYODO in English 1148 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Commericial air traffic over Siberia is being limited by the need for translators by officials in Khabarovsk to communicate with airline pilots, officials said Friday [25 February] at the close of talks aimed at relaxing restrictions in Russian airspace.

Russian officials attending the four-day talks explained that to ensure the safety of flights over Siberia it is necessary to limit the number to six per hour, even though new facilities have been built to enhance the reliability of communications equipment.

The Russian officials suggested that a parallel route could be established over Siberia that would allow nine filghts an hour, but Japan said the proposal would require building new radar facilities.

However, Japan said it would consider the proposal. The two countries will meet again in mid-March.

A Japanese Transport Ministry official said Friday that officials were unaware that translators were being used. They stressed that the need for improved traffic control in the Siberian route will increase with the opening of the Kansai International Airport in September.

Russia, citing the diminished reliability of its communication facilities, has been restricting the number of commercial flights over Siberia since December to six per hour, only a third of the previous volume of traffic.

The restriction initially caused delays of as much as two and a half hours for flights in and out of Narita Airport, and even though the situation has improved since then, flight delays of 30 to 40 minutes are still common, officials said.

The Siberian route is the main air route linking Japan and Europe, used daily by some 40 to 50 airliners both into and out of Tokyo.

### Tokyo To Hold CIS Seminar on Export Controls

*OW2502115394 Tokyo KYODO in English 1057 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Japan will brief 12 former Soviet republics on its measures on arms control, disarmament and nonproliferation when it holds a seminar on export control March 7-11, the Foreign Ministry said Friday [25 February].

The seminar will be the first including all 12 former Soviet republics to discuss controls on the export of technology with military applications and will be sponsored by the Foreign Ministry in cooperation with the Ministries of Finance, and International Trade and Industry.

The seminar is designed to assist the former republics in establishing an effective export control system in order to strengthen the nonproliferation of arms, the ministry said.

### Ministry Lifts Evacuation Advisory on Serbia

*OW2502120994 Tokyo KYODO in English 1125 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The Foreign Ministry on Friday lifted an advisory that had recommended that Japanese nationals evacuate the former Yugoslav states of Serbia and Montenegro.

The move followed a decision by the North Atlantic Treaty Organization (Nato) to forego air strikes against Bosnian Serb positions on the hills surrounding Sarajevo.

An advisory cautioning against travel to Serbia and Montenegro remains in force, the ministry said.

### Sources Say Deng's Daughter To Visit 7-12 Mar

*OW2502130994 Tokyo KYODO in English 1244 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Xiao Rong, the third daughter of China's paramount leader Deng Xiaoping, will visit Japan on March 7-12 in connection with a book she penned about her father's life, official sources said Friday [25 February].

Xiao has served as an official in the Chinese Embassy in Washington and is a vice president of the China Association for International Friendly Contacts as well as a member of the Eighth National People's Congress, China's parliament. Xiao, who often accompanies her father, is scheduled to make television appearances and hold a press conference, the sources said.

## Tokyo, Brussels Differ Over 1994 Car Exports

*OW2502131994 Tokyo KYODO in English 1245 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Japan and Europe differed Friday [25 February] over prospects for Japanese auto exports to the European Union but agreed to follow up talks as early as next month. Europe expects demand to remain flat this year in the 12-nation union, while Japan expects a "slight increase," both sides said after two days of preliminary talks in Tokyo.

Neither side would specify their differences over Japan's export quota for this year.

While minimizing the discrepancy over overall market forecasts, chief European auto negotiator Guy Clauser said the two sides "certainly" differed over how many vehicles Japan should be allowed to export for the year.

"The question of a gap is a matter of perception," he said. "I shall refrain from giving you my perception."

Clauser and an official of Japan's Ministry of International Trade and Industry told separate press briefings that both sides agreed to meet again soon. Clauser said they would try to meet by mid-March to respond to each other's projections.

The talks are part of an annual monitoring of Japan's exports to Europe through 1999, when export limits will be phased out. They do not cover "transplant" cars made in Europe by Japanese manufacturers, which Clauser said are free and "welcomed."

European passenger car and light commercial truck sales fell 15.9 percent to 11.74 million vehicles last year, while Japan cut its exports by 18.5 percent to 980,000 vehicles.

Clauser said those figures, showing a bigger proportional cut in Japanese exports than the total market decline, did not necessarily mean that Europe is seeking further cuts for this year.

The 1993 results matched a September revision of an April plan to cut Japanese exports 9.4 percent for a market originally expected to decline by just 6.4 percent.

The different views of the European auto market for this year stem from divergent views of the region's economic conditions, the Japanese official said. For example, Europe insists that even if its economy should pick up, unemployment will not fall easily, he said.

The trade official also said Japan called for quick unification of Europe's various auto certification standards. Clauser said the 12 nations have agreed to unified certification by 1996 but that not all the countries have enacted laws to that effect.

## Ministry: Air Canada To Operate Tokyo Routes

*OW2502095194 Tokyo KYODO in English 0824 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO— Air Canada will open routes to Japan after the new Kansai International Airport opens in September, the Transport Ministry said Friday [25 February].

Ministry officials said the two countries agreed at bilateral talks held in Tokyo that Air Canada will operate four Boeing 747 flights weekly between Canada and the new airport.

Air Canada thus follows Canadian Airlines International, which already serves routes between Japan and Canada.

## UN Asks Tokyo To Send Observers to El Salvador

*OW2502095294 Tokyo KYODO in English 0843 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The United Nations has formally requested Japan to send 15 election observers to El Salvador to join a UN team to monitor the March parliamentary elections, the Foreign Ministry said Friday [25 February].

Japan received a written request on the matter from UN Secretary General Butrus Butrus-Ghali, the ministry said.

The government will study the situation in various fields in El Salvador before deciding to send the election monitors, it said.

Salvadoran President Alfredo Felix Cristiani, during his visit to Japan in November, asked Japan to send election monitors for the March poll.

## Peruvian Official on Desire To Join APEC

*OW2502131594 Tokyo KYODO in English 1235 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Peru's prime minister and Mongolia's president separately said Friday [25 February] their countries want to become members of the Asia-Pacific Economic Cooperation (APEC) forum.

In Tokyo, Peruvian Prime Minister Efrain Goldenberg, who is concurrently foreign minister, asked Japanese Foreign Minister Tsutomu Hata for support in Lima's bid to participate in APEC, Foreign Ministry officials said.

Hata responded positively, saying he hopes to relay to related nations Peru's desire to take part in the regional economic group, they said.

Hata was quoted as saying the Peruvian Government led by President Alberto Fujimori has promoted democratization and is making efforts to resolve difficulties.

Goldenberg, visiting Japan to attend a seminar, conveyed a message by Fujimori that he is willing to invite Hata to his country, the officials said.

In Bangkok, Mongolian President Punsalmaagiyn Ochirbat met Thai Premier Chuan Likphai and said Mongolia hopes to join APEC and have close relations with the Association of Southeast Asian Nations (ASEAN), Thai officials said.

Ochirbat is scheduled to visit Laos and Vietnam following Thailand.

## LDP Members, Independents Plan Study Group

*OW2402112094 Tokyo KYODO in English 1055 GMT 24 Feb 94*

[Text] Tokyo, Feb. 24 KYODO—Twenty legislators mainly from the major opposition Liberal Democratic Party (LDP) in the Diet attended a meeting Thursday [24 February] to prepare for establishing a policy study group, the attendants said. Seiichi Ota and Shokei Arai, both LDP members of the House of Representatives, and two independents are among them.

Organizers of the group hope to officially launch their new team called "Liberals" in early March. They also hope to have the participation of more Diet members, local assembly members, academics and business executives, they said.

Koji Kakizawa, another LDP member in the lower house, will chair the group to be gathered under the banner of "Real Liberalism," they said.

The group's document states the purpose of the society basically adopts previous policies of the LDP, which surrendered its 38-year grip on power last August to the coalition government led by Prime Minister Morihiro Hosokawa.

## Reportage on Cabinet Reshuffle Issue Continues

### Sakigake's Sonoda Comments

*OW2502071694*

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0030 GMT on 20 February, in its weekly 75-minute "Discussion" program which begins at 0000 GMT, carries a 15-minute live interview with Sakigake Secretary-General Hiroyuki Sonoda on the prime minister's planned cabinet reshuffle, regrouping of parties, and other political issues. The interview is conducted by NHK commentator Takashi Yamamoto and Tokyo University professor Takeshi Sasaki.

Asked how he views Prime Minister Hosokawa's planned cabinet reshuffle, Sonoda says he believes the prime minister is hoping to change the chief cabinet secretary. When Yamamoto asks what are reasons for the reported discord between Prime Minister Hosokawa and Chief Cabinet Secretary Takemura, Sonoda says "their relationship remains unchanged" although their positions in the government are different. Asked to comment on a reported crack in cooperative ties between the Japan New Party [JNP] and Sakigake, Sonoda says it is necessary to coordinate views within the two parties on any future merger. Asked when is the appropriate timing for cabinet reshuffle, Sonoda says: "It is desirable to reshuffle the cabinet after the ordinary Diet session because he will have enough time." Asked if Sakigake is opposed to an immediate cabinet reshuffle, Sonoda replies: "I am sure that if he really wants to reshuffle the cabinet, the prime minister will consult not only with Sakigake but also with other parties. Our party will present our view when consulted by the prime minister." Sonoda also notes: "We have never thought of leaving the ruling parties." He then discusses what Sakigake head Takemura has done in the cabinet as Chief Cabinet Secretary, noting: "I think it is most desirable that Mr. Takemura remain in the cabinet if Prime Minister Hosokawa really needs Sakigake as a prop for his cabinet."

Yamamoto asks about the possible formation of a new political force involving Sakigake, Democratic Socialist Party [DSP] and the SDPJ, [Social Democratic Party of Japan]. Sonoda says there are many things to be carried out before the formation of a new political force, saying: "I do not think we should decide at present on the formation of a new political force."

Asked if he supports the idea of establishing a "tripolar" structure among the SDPJ-DSP-Sakigake, Shinseito-Komeito, and the LDP, Sonoda says: "I am of the opinion that under the single-seat constituency system, the political world will be dominated by two big political forces in the future." He adds: "What is most important is that the ruling parties should cooperate with each other in the next election so that the coalition government will be further stabilized."

### Hosokawa To Poll Coalition Heads

*OW2502074794 Tokyo KYODO in English 0709 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Prime Minister Morihiro Hosokawa reiterated Friday [25 February] he will canvass leaders of the seven coalition parties before deciding on any cabinet reshuffle, denying he has already decided on the timing for a realignment. "I have not yet considered (the timing of a cabinet reshuffle). It is too early," Hosokawa told reporters at his official residence.

Hosokawa said he will soon confer again with Social Democratic Party [of Japan] (SDP) [SDPJ] Chairman Tomiichi Murayama and Democratic Socialist Party (DSP) Chairman Keigo Ouchi, both of whose parties belong to the coalition.

In a meeting Thursday, Murayama and Ouchi told Hosokawa that an immediate cabinet reshuffle is unnecessary. They renewed their opposition to a shakeup expected to center on removing Chief Cabinet Secretary Masayoshi Takemura from his post.

Hosokawa denied reports that he has asked Foreign Minister and Shinseito head Tsutomu Hata to assume the post of chief cabinet secretary and Hiroyuki Sonoda, a member of Sakigake (Harbinger), to take the post of deputy chief cabinet secretary. "I have never asked them, nor yet considered it. It's too early," Hosokawa said.

Government sources said Hosokawa is likely to hear from the ruling party leaders separately sometime over the weekend or early next week.

The cabinet reshuffle, if realized, will be the first since Hosokawa launched the coalition government last August after ousting the now-opposition Liberal Democratic Party after its 38-year rule.

Ouchi, also health and welfare minister, told a regular press conference he is opposed to any early cabinet reshuffle that could "crack the foundations of the coalition government."

Of the coalition's seven parties, the SDPJ, the DSP and Takemura's Sakigake (Harbinger) have objected to the restructuring plan while Shinseito (Japan Renewal Party) and Komeito [Clean Government Party] support it.

Takemura differs with Hosokawa on the blueprint for Japan's political future. Hosokawa has reportedly considered working toward the two-party system called for by Shinseito and Komeito, but Takemura has voiced objections.

In Oita, southern Japan, Murayama said Hosokawa is likely to renew his consultations with ruling party leaders, including himself, in early March to discuss the possible cabinet reshuffle.

Citing Hosokawa's remarks Thursday that he may consider a reshuffle after the Diet passes an amendment to the political reform package, Murayama said, "in case there is a reshuffle, the premier said he will surely consult (with us)."

Murayama, who was speaking to a labor union's local convention, said that when he meets Hosokawa again he will repeat his stance of opposing an early cabinet shakeup.

The chairman of the SDPJ, the largest among the seven ruling parties, also denied that he would enter a new cabinet, saying "the SDPJ is not in such a position now."

Murayama said he supports labor leader Akira Yamagishi's idea of forming a new liberal party to compete against two conservative parties expected to be established before the next general election.

Yamagishi, head of the eight-million-strong Rengo labor organization, reached a broad agreement on Thursday with Hokkaido Gov. Takahiro Yokomichi to aim at establishing a new liberal party.

The new party is likely to be formed by uniting the SDPJ, the DSP and Sakigake, possibly under the leadership of Yokomichi, who once served as SDPJ's House of Representative member before becoming the governor of Japan's northernmost prefecture.

## 'Could Weaken' Political Leverage

*OW2502104494 Tokyo KYODO in English 1007 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Prime Minister Morihiro Hosokawa will likely launch a political shake-up next week, an action that could weaken his political leverage and pave the way for a split in his six-month-old administration.

Political sources said Hosokawa has decided to carry out a reshuffle of his 21-member cabinet sometime next week, possibly around Thursday [2 March], despite strong objections from some of his main coalition partners.

Speaking to a group of reporters at his official residence Friday, Hosokawa denied that he has already decided on the timing of the cabinet reorganization.

"I have not yet considered (the timing of a cabinet shakeup)...It is too early," the prime minister said.

At issue is whether Hosokawa will sack or remove to an alternative important cabinet post Chief Cabinet Secretary Masayoshi Takemura, nominally his top aide.

The sources said Hosokawa wants to take such action because of the recent emergence of differing political ideas with Takemura, leader of Sakigake (Harbinger), a small partner in the seven-party coalition.

The early cabinet reshuffle is favored by two other coalition parties—Shinseito (Japan Renewal Party), coheaded by the coalition's main strategist Ichiro Ozawa, and the Buddhist-backed Komeito [Clean Government Party].

It is opposed by Sakigake, the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest component in the coalition, and the Democratic Socialist Party (DSP).

Rivalry between the two blocs intensified this week as Hosokawa proposed a parliamentary alliance of the ruling parties to compete with the largest opposition Liberal Democratic Party (LDP) in the next general election, likely to be called this fall.

The election for the House of Representatives will feature a new electoral system with 300 single-seat constituencies and 200 seats chosen by proportional representation.

Hosokawa's new proposal marks a departure from his previously stated desire to establish a multiparty system in Japan and signals his inclination to work for a two-party system.

The two-party system is advocated by Shinseito and Komeito but is opposed by Sakigake, the SDPJ and the DSP, which favor a "moderate multiparty system."

The new proposal was apparently made because published media simulations have shown that the LDP, ousted from power last August, will dominate the lower chamber unless the ruling parties act as one and run only one candidate in each single-seat constituency.

The alliance proposal immediately came under fire from Takemura, who called it "imperialistic" and "expansionist," leaving a deeper crack between him and Hosokawa.

Hosokawa was hit by another shock wave this week in the form of an announcement that a rising political star and a top labor leader have basically agreed on the formation of a new liberal party.

The agreement was reached between Hokkaido Gov. Takahiro Yokomichi, once dubbed "prince of the socialists," and Akira Yamagishi, chairman of the eight million-strong Rengo labor federation.

The accord calls for the unification of the SDPJ, Sakigake and DSP into a "Democratic Liberal Party."

Yokomichi, elected to the lower house four times since 1969 and the governorship three times since 1983, is poised to return to the central political stage, probably to head the new party.

Yamagishi said Japan's political parties will be molded into three forces—the conservative LDP, a new conservative party and the new liberal party.

On the economic front, a high-ranking U.S. trade official will arrive in Tokyo on Friday to resume subcabinet-level negotiations with Japan on automobile and auto parts trade between the two countries, informed sources said.

Jeffrey Garten, U.S. undersecretary of commerce for internal trade, is now on an export promotion mission in Asia.

The auto and auto parts trade is viewed in Washington as the key focus in the "framework" trade talks between the United States and Japan.

The coming Tokyo consultations follow ruptured trade talks in Washington earlier this month between Hosokawa and U.S. President Bill Clinton.

Garten is expected to reiterate the U.S. demand to set up "objective criteria" to gauge the openness of the Japanese market, which Tokyo strongly opposes, describing it as "managed trade."

Important economic indicators to be released next week include housing starts for January, a quarterly business outlook (tankan) by the Bank of Japan, foreign currency reserves as of the end of February and governmental fiscal 1994 economic outlook figures.

On Monday, the Japan Sumo Association will announce the list of rankings for the spring grand sumo tournament.

On Wednesday, a World Boxing Association (WBA) junior featherweight title match will be held in Tokyo between champion Wilfredo Vasquez of Puerto Rico and challenger Yuichi Kasai of Japan.

## JISF: Steel Exports for 1993 Rise 23.8 Percent

*OW2402090994 Tokyo KYODO in English 0852 GMT 24 Feb 94*

[Text] Tokyo, Feb. 24 KYODO—Japan's steel exports in 1993 rose 23.8 percent from 1992 to 23,506,000 tons, exceeding 20 million tons for the first time in four years, an industry group said Thursday [24 February]. The Japan Iron and Steel Federation [JISF] said the exports, on a shipment basis, also posted the third consecutive year-on-year rise.

It attributed the sharp export growth to increased exports early in the year to China, whose economy is sharply expanding.

The dollar value of the exports rose 9.3 percent, but the yen value dropped 4.1 percent, due to the yen's appreciation against the dollar, the federation said.

The unit price of all exports dropped to 73,400 yen per ton, down 21,400 yen from the previous year. It was the lowest average unit price in six years.

Despite an increase in export volume, export earnings showed little growth, industry officials said, predicting exports in 1994 will level off from 1993 both in volume and value.

The federation also reported exports to China increased 2.9-fold to 6,910,000 tons.

Shipments to Taiwan rose 19.0 percent to 2,910,000 tons and those to South Korea increased 1.5 percent to 1,670,000 tons. But exports to the United States plunged 30.6 percent to 1,820,000 tons.

Steel imports in 1993 increased 3.6 percent to 9,185,000 tons, the federation said.

## MITI Reports Fall in Jan Crude Oil Imports

*OW2402063194 Tokyo KYODO in English 0611 GMT 24 Feb 94*

[Text] Tokyo, Feb. 24 KYODO—Japan's imports of crude oil in January fell 3.7 percent to 151.71 million barrels for the sixth consecutive month of decline from year-earlier levels, the Ministry of International Trade and Industry said Thursday [24 February].

The United Arab Emirates was the biggest supplier of crude oil to Japan with 38.43 million barrels, followed by Saudi Arabia with 30.95 million barrels, Iran with 15.91 million barrels and Indonesia with 11.95 million barrels.

The amount of crude oil processed in January came to 140.14 million barrels, up 2.3 percent from a year earlier.

Production of fuel oil increased 4.2 percent to 127.50 million barrels, rising for the sixth straight month.

Domestic sales of fuel oil edged up 0.7 percent to 132.97 million barrels, gaining for the second consecutive month.

Fuel oil imports dropped 4.1 percent to 17.30 million barrels, affected by sluggish imports of C-type fuel oil. Fuel oil exports jumped 53.2 percent to 11.45 million barrels.

## 26.5 Percent Fall in Jan Auto Exports Reported

*OW2402061494 Tokyo KYODO in English 0559 GMT 24 Feb 94*

[Text] Tokyo, Feb. 24 KYODO—Japan's motor vehicle exports in January declined a sharp 26.5 percent from a year earlier to 390,418 units, the Japan Automobile Manufacturers Association said Thursday [24 February].

It was the 10th consecutive month of declines from year-earlier levels.

In terms of value, January exports fell 12.6 percent to 6,522.69 million dollars. Of the total, assembled vehicle exports accounted for 4,789.11 million dollars and parts exports for 1,733.58 million dollars, the association said.

By vehicle type, exports of passenger cars came to 312,423, while 74,332 trucks and 3,663 buses were shipped overseas.

Exports to the United States fell for the sixth month in a row from a year earlier by 14.0 percent to 114,190 vehicles.

Exports to the 12-nation European Union shrank by 37.8 percent to 128,597 vehicles for the first fall in two months.

Shipments to Asian countries declined by 19.3 percent to 41,824 vehicles, the association said.

Toyota Motor Corp. exported a total of 128,208 vehicles in January, down 20.7 percent from a year earlier, Nissan Motor Co. shipped 45,405 vehicles overseas, down 22.1 percent, and Mazda Motor Corp. exported 57,146 vehicles, down 34.8 percent.

## Ministry To Raise Postal Insurance Premiums

*OW2502114894 Tokyo KYODO in English 1103 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—The Postal Ministry said Friday [25 February] it will raise postal insurance premiums by an average 10.3 percent, effective April 1.

The Ministry of Posts and Telecommunications said a ministry advisory panel, the Postal Services Council, approved on Friday the first premium increase in 46 years for new postal insurance policies.

The raise is necessitated by a fall in interest rates, which has cut the estimated yield on investments of insurance funds, ministry officials said.

They said the premiums will be increased by 9.7 percent for ordinary postal insurance and by 17.3 percent for annuity insurance.

Under the plan, the monthly premium payment for a 10-year savings-type endowment insurance, which pays 1 million yen for death or at maturity, will be hiked to 7,940 yen for a 40-year-old male, up 8.3 percent.

The monthly payment for life annuity contracts, which start pension payments at age 60, will be raised to 34,722 yen for a 50- year-old female, up 37.6 percent.

The estimated yield on investments of postal insurance funds in fiscal 1993, ending next March 31, has fallen to about 5 percent from 5.8 percent the previous year and is likely to drop to a range of 4 to 5 percent in fiscal 1994, the officials said.

## Defense Agency Panel To Review Policy Outline

*OW2502063994 Tokyo KYODO in English 0554 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Defense Agency chief Kazuo Aichi said Friday [25 February] his agency will set up a nine- member panel to review Japan's 1976 basic defense policy, called the National Defense Program Outline.

The outline, which has served as Japan's basic defense policy since 1976, calls for the government to maintain security arrangements against large-scale attacks and also to build up Japan's own defense capabilities to repel limited-scale invasions.

Aichi told a news conference that the panel will review the outline in line with the debates of a similar advisory panel to Prime Minister Morihiro Hosokawa, which will hold an inaugural session on Monday.

Aichi said, "We must review the outline from both the medium- and long-term points of view."

The Defense Agency panel, chaired by Aichi, comprises parliamentary Vice Defense Minister Natsuo Yamaguchi, Vice Defense Minister Shigeru Hatakeyama, four top uniformed officers and two administrative officials, officials said.

Hosokawa's nine-member group will discuss ways to adapt to the changed international situation following the end of the Cold War.

Since his inauguration in August last year, Hosokawa has advocated that with the Cold War now ended, Japan should trim the size of the Self-Defense Forces (SDF) and review the outline.

### Minister: Decision on HDTV 'Within a Year'

*OW2502063294 Tokyo KYODO in English 0540 GMT 25 Feb 94*

[Text] Tokyo, Feb. 25 KYODO—Posts and Telecommunications Minister Takenori Kanzaki said Friday [25 February] his ministry will decide on what system to use for high-definition television (HDTV) within a year, instead of by summer as earlier planned.

Kanzaki said he has asked Akimasa Egawa, director general of the Broadcasting Administration Bureau, to launch a private advisory group to discuss how to proceed with the HDTV project from now on.

The minister's advisory group will include representatives from the electronics industry, the private broadcasting industry and Japan Broadcasting Corp. (NHK), the public broadcasting network.

NHK already uses analog technology for high-definition television broadcasts. HDTV offers crisper images than conventional TVs.

Egawa caused a stir earlier this week when he said the ministry is considering abandoning the analog system in favor of digital technology, which would make possible more advanced functions, but later reversed his position in response to protests from NHK and consumer electronics companies.

## North Korea

### Conference Opens on 30th Anniversary of Theses

#### Kim Il-song Attends Conference

*SK2502125294 Pyongyang KCNA in English 1112 GMT 25 Feb 94*

[Text] Pyongyang, February 25 (KCNA)—A national agricultural conference opened with a large attendance in Pyongyang today.

The great leader President Kim Il-song was present at the conference.

The conference which is open on the occasion of the 30th anniversary of the publication of "Theses on the Socialist Rural Question in Our Country" will review the great victory won by our party and people in the efforts to implement the socialist rural theses and discuss tasks to lift socialist rural construction to a higher stage.

Placed on the platform of the conference is a portrait of President Kim Il-song.

The more than 10,000 participants include managing officials of cooperative farms and state farms and labor innovators from all parts of the country who have made devoted efforts for the implementation of the socialist rural theses.

When President Kim Il-song stepped on to the platform of the conference, stormy cheers of hurrah burst forth.

Taking the platform were O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and minister of People's Armed Forces; Kang Song-san, Politburo member of the WPK Central Committee and premier of the Administration Council; Yi Chong-ok, Pak Song-chol and Kim Yong-chu, Politburo members of the WPK Central Committee and vice-presidents; and other party and state cadres, leading officials of the working people's organisations and of local party, administrative and economic bodies, chairmen of the management boards of cooperative farms, secretaries of ri party committees, model personnel of the agricultural domain, agricultural scientists and three-revolution team members.

A congratulatory message of the WPK Central Committee to the conference was conveyed by Vice-president Yi Chong-ok.

A congratulatory group of the Korean Children's Union entered the conference hall and presented a bouquet to President Kim Il-song. The group read a congratulatory message to the conference. Premier Kang Song-san made a report, which was followed by speeches.

The conference will be continued.

#### Kim Il-song Sends Letter

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["President Kim Il-song's Work 'For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses'"—KCNA headline]

[Text] Pyongyang, February 25 (KCNA)—The great leader President Kim Il-song sent to the National Agricultural Conference a letter entitled "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses" on February 24, 1994.

The letter reads in full:

The grand National Agricultural Conference which is open on the occasion of the 30th anniversary of the publication of the socialist rural theses, arousing keen interest and expectations of our agricultural working people and the whole nation, is a matter of great jubilation and a momentous event.

I extend warm congratulations to you who are present at the National Agricultural Conference and to all the agricultural working people, who have worked devotedly to implement the socialist rural theses under the leadership of our party, and express my heartfelt gratitude to our working class and our people for the active assistance they have given to the rural communities.

This conference will review the great victory which has been achieved by our party and our people in the struggle to carry out the socialist rural theses and will mark a new milestone in advancing the construction of socialist rural communities to a higher stage. It will be a historic conference which will powerfully demonstrate the validity of our party's socialist rural theses and the advantages of the socialist agricultural system in our country and inspire our people to a fresh success, the people who safeguard the socialist cause of chuche and bring it to consummation.

The rural question occupies a very important place in realizing the people's cause of independence, the cause of socialism.

The rural question encompasses the peasant question and the agrarian question. The peasantry, along with the working class, is a component of the main force of the revolution, and agriculture, along with industry, is one of the two major sectors of the national economy. Finding solution to the rural question is a long-drawn-out, very complex and difficult task because of the social and economic characteristics of rural communities and their age-long backwardness. As historical experience shows, success in the revolution and construction depends largely on how the rural question is resolved in each stage of the developing revolution.

Ever since the initial period of building a new society after liberation, our party has always paid a deep attention to the rural question. In each stage and in each period of the development of the revolution, our party has put forward a correct line and policy on the rural question from the standpoint of chuche and carried them out. As a result, it has been successful in finding a smooth solution to the rural question without committing any deviation.

The completion of agricultural cooperativization on socialist lines and the victory of the socialist revolution were great events which brought about a radical change in the peasants' social and economic position and in the development of agricultural productive forces.

The completion of the socialist cooperativization of agriculture is a historic turn in resolving the rural question, but it does not immediately mean the ultimate solution of the rural question. Because of the backwardness of rural communities, a vestige of the old society, the differences between urban and rural communities and between working class and peasantry remain even after agriculture has been cooperativized on socialist lines. So long as these differences exist, we cannot say that the rural question has been resolved completely. In order to find the ultimate solution to the rural question, it is necessary to go through another revolutionary stage after the socialist cooperativization of agriculture, a stage of revolution to assimilate the peasantry to the working class, put agriculture on an industrial basis and modernize it, bring cooperative ownership under all-people ownership and thus eliminate the differences between urban and rural communities and between working class and peasantry.

Speeding up the construction of socialist rural communities to solve the rural question ultimately is a link in the historic cause of achieving the complete victory of socialism; this is an important task of uninterrupted revolution to be carried out in the period of transition from capitalism to socialism.

After completing the socialist cooperativization of agriculture, our party advanced the ultimate solution of the rural question as a major strategic task in building socialism and published the socialist rural theses and has worked hard to put them into effect.

The theses on the socialist rural question in our country are our party's programme of building socialist rural communities, which is an embodiment of the chuche idea. The theses provide a scientific elucidation of the direction, basic principles and fundamental methods of solving the socialist rural question. Our party's rural theses are an absolutely correct guideline to the solution of the socialist rural question as well as the banner of struggle to safeguard the socialist principles in rural communities and achieve the complete victory of socialism.

The road traversed by our party and our people under the banner of the socialist rural theses for 30 years has been a road of an arduous struggle and yet a road of glorious victory. Formerly our country was a colonial agricultural land, so that even after agriculture was cooperativized the rural communities lagged far behind the urban communities in all fields of ideology, technology and culture, and the material and technical foundations of agriculture were very weak. Worse still, we have had to build socialist rural communities and socialism as a whole in the complex and acute situation in which the country is divided into North and South and the imperialists and reactionaries have been resorting to ceaseless manoeuvres against socialism and our Republic. All this has created immeasurable difficulties and obstacles to the struggle of our party and our people to implement the rural theses. Under the leadership of our party, our agricultural working people and all the other people have advanced vigorously along the road of building socialist rural communities as indicated by the rural theses without the slightest vacillation in spite of many difficulties and trials.

Our party's correct leadership, powerful urban support for the countryside, and the devoted struggle of the agricultural working people have resulted in a great success in the implementation of the socialist rural theses, and the looks of the rural areas have changed beyond recognition.

As a result of the vigorous ideological and cultural revolutions in the countryside, the agricultural working people in our country have become reliable masters of socialist rural communities who have attained a high level of ideological consciousness and creative ability.

Everyone of our agricultural working people, like the working class, leads a very valuable socio-political life, and a radical change has taken place in their ideological and mental features. Firmly equipped with the chuche idea, the revolutionary idea of our party, and united solidly behind the party, our agricultural working people loyally support the party's leadership and are displaying a high degree of revolutionary enthusiasm and creativity in the struggle to build socialist rural areas as elucidated by the rural theses. Thanks to our party's tireless ideological education and through their practical lives under socialism, they have rid themselves of the small-holder mentality of their former days, have learned collectivist spirit and nurtured it systematically. Collectivism has now become the predominant feature of their ideology and manner of life. The agricultural working people now highly display the beautiful communist trait of helping and leading each other forward, devoting themselves for the good of their society and collective on the principle of one for all and all for one. They work, live and fight on the collectivist principles, united single-heartedly behind the party and the leader and holding the socialist banner of chuche high. This is precisely the ideological and mental features of our agricultural working people. This high ideological level attained by our agricultural working people proves the brilliant victory of our party's policy on the ideological revolution; it is an epoch-making success in the transformation of the peasants' ideology.

The technical and cultural levels of our agricultural working people have risen very high, and the conditions for the cultural life of the rural inhabitants have greatly improved. The new generation which has received eleven-year compulsory education constitutes the main force in our rural communities, as in the urban communities. The standard of general knowledge of all the agricultural working people has reached that of senior middle school leavers or a higher level. They have acquired new technology; they do all kinds of farm work scientifically and technically by the use of modern technical means and in accordance with the chuche farming method. A great army of rural technicians and specialists has been prepared in accordance with our party's correct policy on the training of our own cadres, and they manage and operate the socialist rural economy excellently. Large numbers of modern houses and cultural and welfare facilities have been constructed in the rural communities, running water, bus and television services have been introduced, clinics have been developed into hospitals in the rural areas. As a result, the difference in the conditions for cultural life between urban and rural communities has been reduced considerably. Outmoded and backward notions and conventions have all disappeared from among our farmers, a sound and optimistic emotional life is flowering among them, and the socialist way of living is being established.

Man plays the decisive role in the transformation of nature and society, and agricultural working people are responsible for the construction of the socialist countryside. The fact that our agricultural working people have been trained into socialist working people with a high standard of political and ideological awareness as well as a high level of technical and cultural development is the most important guarantee for the complete solution of the rural question.

Under the powerful support of the chuche industry, a brilliant victory has been attained in the rural technical revolution.

The tasks of irrigation and electrification of agriculture were carried out in our country a long time ago. In recent years, great projects for harnessing nature, among them the construction of the west sea barrage, and the laying out of 800 kilometres of canals in the western region, which are aimed at perfecting the irrigation of agriculture on a higher level, have been carried out successfully, so that our country can be proud of the powerful irrigation system in the eyes of the world.

The tasks of introducing machinery and chemicals in agriculture have also been implemented. A large number of tractors, lorries and various other kinds of modern farm machinery have been produced for the rural areas with the result that the comprehensive mechanization of agriculture has reached the level where all the major farm operations ranging from ploughing to threshing can be done with the help of machines. The amount of use of chemical fertilizers has greatly increased, the quality of their properties has improved, and a scientific system of manuring has been established. Highly effective insecticides, disinfectants, and herbicides have been produced and supplied in large quantities so as to protect farm crops better from insect pests and to kill weeds by chemical means. The independent and modern tractor and lorry production centres, farm machinery production centres, fertilizer factories and other chemical industry bases which have been established in our country provide a sure guarantee for the completion of the mechanization of agriculture and a sufficient use of chemicals for farming.

With the realization of irrigation, electrification and mechanization of agriculture, and with an extensive chemical application in farming the historic task of the rural technical revolution set forth in the socialist rural theses has been basically carried out. We have laid solid material and technical foundations for freeing the farmers from difficult and exhausting work and increasing agricultural production to a great extent by industrializing and modernizing agriculture with our own efforts and techniques.

As a result of the rural technical revolution and the full implementation of the chuche farming method, all branches of agriculture including grain production have developed rapidly, and last year, too, we reaped an unusually rich harvest despite the unfavourable weather conditions.

Under our people-centred socialist system the material and cultural standards of the farmers have radically improved through the implementation of the rural theses. Our cooperative farmers live in cosy modern houses built at state expense, free from worries about food and clothing in the modern socialist countryside that has been built up splendidly, and the standard of living of the farmers is improving with the passage of time like that of the workers and office employees. In our country the cooperative farmers also enjoy all the state benefits such as free compulsory education, free medical care and advanced social security. Our farmers who were oppressed, maltreated and poverty-stricken for centuries, now enjoy, along with the working class, a secure and happy life free from all worries as the full-fledged masters of the state and society. In addition to the change in the social and economic position of the farmers, the conditions needed for their material and cultural life have completely changed and the former looks of the backward old country areas disappeared long ago.

As a result of the energetic promotion of the ideological, technical and cultural revolutions in the rural communities and thanks to effective guidance and assistance given by the party and the state to the countryside, our socialist agricultural system has been consolidated still further.

A chuche-oriented system of agricultural guidance, the major component of which is the county cooperative farm management committee, has been firmly set up, its function and role has been enhanced and the level of the management of cooperative farms has been brought closer to the advanced level of industrial management. The state's effective material and technical assistance to the agricultural cooperative economy has strengthened the productive ties between industry and agriculture, organically linked public ownership and cooperative ownership and enabled the material and technical means of public ownership to hold an overwhelming proportion in agricultural production. This shows that our agricultural cooperative economy has been consolidated and developed still more and that the conditions needed for gradually turning the cooperative farms into those under all-people ownership are maturing.

Socialism has now struck deep roots in our countryside and become inseparable from the destiny of our agricultural working people, who hold the socialist agricultural system as dear as their own lives. Our agricultural system is a chuche-orientated socialist agricultural system, which develops on collectivist principles, and under which the agricultural workers are the masters of production and management, public ownership and cooperative ownership are closely combined, and the state takes responsible care of the production and management activities of the cooperative farms and the lives of the cooperative farmers. Our socialist agricultural system is the most advanced system; it not only provides an independent and creative life for the farming population but also facilitates the assimilation of the farmers to the working class, the development of agriculture into an industrial process and a gradual and smooth conversion of cooperative ownership to all-people ownership. Under the banner of the socialist rural theses, our socialist agricultural system clearly shows its superiority and unbreakable vitality, and opens up a bright future for socialist rural construction and an avenue for the ultimate solution of the rural question.

Through their own experience in the struggle and life, our cooperative farmers and all the other agricultural working people are firmly convinced that the road indicated by the socialist rural theses, the road to socialism alone, is the road to a genuine life and happiness and to victory and glory. They are working hard to defend the gains of socialism they have already won and develop them still further.

The road of capitalism leads the rural workers to degradation and the country areas to backwardness. In capitalist society, owing to its inherent law, the rural workers cannot prevent their differentiation, and the overwhelming majority of them cannot free themselves from rightlessness and poverty. The historical lesson of building socialism clearly shows that in the country areas, too, defence of socialism means victory and its abandonment means death.

We have won a decisive victory in our efforts to implement the socialist rural theses, and the building of socialist countryside in our country is entering a new stage of its development. The main task in the solution of the socialist rural question is to eliminate the ideological, technical and cultural backwardness of the rural communities in comparison with the towns. We have solved the basic problem in the building of socialist countryside by pressing ahead with the ideological, technical and cultural revolutions in the countryside and achieving remarkable successes in these fields; we are on a high peak which affords the prospect of ultimate solution of the rural question. If we consolidate the position we have already taken up and launch a new battle by making more strenuous efforts, we will win a historic victory in the solution of the rural question, the most difficult question in the building of socialism.

We are now faced with the honourable task of finally solving the rural question by following up the success we have achieved in our efforts to implement the socialist rural theses.

Whether we finally solve the rural question under socialism or not is an important matter which affects the future of socialism. It is only when we ultimately solve the rural question by accelerating the building of socialist countryside that we will be able to achieve the complete victory of socialism, display its superiority and indestructibility and increase its attraction. It is a solemn duty we have assumed to the present times and history to solve the rural question successfully in our country which, under the socialist banner of chuche, is defending and developing the socialism of our own style.

Today our party and our people are struggling to build socialism in the most complex internal and external situation and in a sharp confrontation with our enemies. We have to carry out the task for the high stage of socialist rural construction in a grave situation and push our way along an untrodden path by overcoming all the difficulties and trials we will encounter in solving the rural question.

As long as we are led by the great party and have the heroic people who are solidly united behind the party in mind and purpose as well as the people-centred socialist system of our own style and a powerful independent national economy with the chuche industry as the mainstay, we will unfailingly carry out this difficult and yet honourable task with credit. Upholding the banner of the socialist rural theses, all the agricultural officials and farming population must energetically promote the building of socialist countryside, full of confidence. Our working class and all the other working people throughout the country must turn out in the sacred cause of solving the rural question ultimately by carrying out the rural theses.

We must further develop the ideological and cultural revolutions in depth to meet the requirements of the new, advanced stage of socialist rural construction.

It is our party's consistent line of building socialism to give precedence to the work of capturing the ideological fortress while giving a strong impetus to the struggle to take both the ideological and material fortresses. It is only when we prepare our farming population more firmly in terms of their ideological and mental qualities, technical and cultural standards as required by socialism that we can find ultimate solution to the rural question. Our task is to develop the ideological and cultural revolutions in greater depth in the rural communities and definitely raise the ideological, technical and cultural levels of the farmers to those of the working class and completely eliminate the ideological and cultural backwardness of the countryside.

It is difficult to transform the ideology of the farmers and revolutionize them and assimilate them to the working class. Selfishness lingering in the minds of the farmers is very conservative and obstinate. It cannot be eliminated easily in a short time. Moreover, in view of the imperialists' ceaseless attempt to blow the wind of libertarianism into our ranks, we must not slacken ideological work even for a moment. Experience shows that if the ideological revolution is neglected in socialist society, it will be impossible not only to consolidate and develop the socialist system but also to defend the gains of the revolution that have already been attained, because outmoded ideas will revive and the ideology of the working people will become paralysed. When the new generation which has not experienced the trials of the revolution has emerged as the master of socialist construction and people enjoy a prosperous life without any worries, and especially when the imperialists resort to intensive manoeuvres to undermine socialism ideologically and culturally, we must further the ideological revolution and conduct ideological work among the working people in depth and substantially. This is the most important and essential requirement in the struggle to defend and accomplish the socialist cause.

By holding fast to the party's policy of ideological revolution and pressing ahead with ideological work among the agricultural working people, we must train them into revolutionaries, assimilate them to the working class and model them on socialism and the chuche idea.

The essential thing in the ideological revolution is to fully equip all the agricultural population with the chuche idea, the revolutionary idea of our party. The chuche idea is a revolutionary and scientific world outlook which the people, who strive to safeguard independence and realize it, should possess. Education in the chuche idea should be conducted with the main emphasis on education in the principles of the chuche idea and in breadth and depth in close combination with a variety of forms of ideological education including education in the party policy, the revolutionary traditions and socialist patriotism.

We must step up education in the chuche idea among the agricultural working people to ensure that they acquire a firm chuche-orientated revolutionary outlook on the world and are unfailingly loyal to the party and the revolution. We must ensure that they all strive through thick and thin to defend and carry out the party's lines and policies upholding the leadership of our party, and fight for the victory of the cause of socialism full of confidence and optimism. We must encourage the agricultural working people to perform their responsibilities and play their role as masters of the revolution and construction with a high degree of consciousness of being masters of the state, society and the socialist countryside. Along with this, we must prevent the bourgeois ideology and all other reactionary and counterrevolutionary ideas, alien to the chuche idea, from making inroads into our ranks.

In ideological work great efforts should be channelled into education in class consciousness and collectivism.

Class education is an important requirement for training the farmers into revolutionaries and assimilating them to the working class. We must equip the agricultural working people fully with the consciousness and revolutionary spirit of the working class so that they always adhere to the revolutionary principle and fight against imperialism and class enemies of all shades without compromise. In particular, we must pay close attention to intensifying education in class consciousness among the new generation in the countryside to enhance their class consciousness.

Socialism is the lifeblood of our people including the agricultural workers, and collectivism is the basis of the socialist society. Our agricultural working people, the masters of the socialist countryside, must rid themselves of the outdated ideological remnants of individualism and equip themselves fully with the spirit of collectivism. Education in collectivism must be intensified in the countryside to give them a clear understanding that their individual interests are derived from those of the society and the collective, and that the worth of their life and happiness consist in the development of their socialist motherland and the prosperity of the socialist countryside, so that they give full play to their patriotic enthusiasm and devotion in developing socialist rural communities. Our agricultural working people must live up to collectivism in and out of work and thus make it a rule and their habit to take part in communal labour voluntarily and honestly, treasure communal property and take care of it with an attitude befitting masters, and manage all farm work and activities of the collective economy assiduously and methodically.

The ideological work of transforming the ideas of the people must be pushed forward persistently with a correct methodology.

The method of influencing the people by popularizing positive examples is the most powerful method of mass education suited to the intrinsic nature of the socialist society. We must give wide publicity to the good conducts displayed among the working people so that a noble communist morality comes into full bloom in all families in the countryside as well as in all subworkteams, workteams and farms.

We must continue to develop the three-revolution red flag movement and other mass movements in the countryside to ensure that ideological transformation becomes the concern of the agricultural working people themselves and that the mass movements have a greater effect on socialist rural construction.

We should intensify their life in the party and working people's organizations in order to give them ceaseless revolutionary education, train them ideologically and heighten their sense of organization and discipline, through the life in their organizations.

The first and foremost task of the rural cultural revolution at present is to improve the technical and cultural standards of the agricultural working people to meet the requirements of making the whole society intellectual.

Making the whole society intellectual is a strategic target of our party's policy of cultural revolution and a lawful requirement for the building of socialism and communism. We must develop the cultural revolution in depth in the rural communities and improve the technical and cultural qualifications of the agricultural working people. In this way we will carry out the new tasks in the socialist rural construction with success.

In order to raise the technical and cultural levels of agricultural working people, we must develop our most advantageous socialist educational system to suit the rural situation. We must modernize the rural schools and further improve their quality of education. We must strengthen the regular system of higher education and set up a large number of study-while-you-work institutions such as farm colleges and agricultural colleges so as to build up the ranks of agricultural technicians and agronomists systematically and push ahead with the work of making all agricultural workers intellectuals on a long-term basis.

Farms must equip their halls for the propagation of agricultural science and technology properly, run them on a regular basis, and step up technical study and the imparting of technical skills among farmers so that they can acquire the latest achievements of agricultural science and technology, operate modern technical means efficiently and master our party's chuche farming method.

An important task of the cultural revolution in the rural areas is to establish a cultural and hygienic practice in and out of work in the countryside and abolish the difference between urban and rural communities in the cultural conditions for the working people.

To raise the standard of clean and hygienic practice in production in the rural communities is very important in increasing agricultural production and establishing the habit of taking good care of communal property. All the farms must treasure the land, the main means of agricultural production, and cultivate it neatly, take good care of the tractors and various other farming equipment and materials and construct production facilities neatly and manage them with care.

A cultural and hygienic way of life must be established throughout the modern socialist countryside in keeping with its new features. Community centres at every ri and farm villages must be laid out neatly, roads managed carefully, dwelling houses and villages kept clean and neat, and a cultural and hygienic way of life developed. Mass culture and art must be developed and physical culture and sports promoted on a mass basis, all sorts of outmoded habits of life and asocialist expressions opposed, and a socialist way and tone of life established throughout the rural areas.

We must build a larger number of modern houses and cultural and welfare facilities in the rural areas. In order to eliminate the difference between urban and rural communities in living conditions, it is essential to introduce electrification, running water and bus services, central-heating and gas systems in the rural areas. To follow up the success in electrification, water supply and bus service to complete them at a higher level in the rural areas, and introduce central-heating and gas systems in the rural villages—these are the five major tasks to be carried out within the next few years in eliminating the difference between urban and rural communities with regard to their living conditions.

We must step up health and hygienic service in the rural areas and improve the medical care of the agricultural population. We must equip the rural hospitals better and develop the doctors' area responsibility system, so as to raise the level of medical service.

We must consolidate and develop the successes achieved in the rural technical revolution.

The four major tasks of the rural technical revolution set by the socialist rural theses—irrigation, electrification, mechanization and an extensive use of chemical means—are of paramount importance in eliminating the backwardness of the countryside in the sphere of technology and in putting agriculture on an industrial and modern basis. Irrigation, electrification, mechanisation and application of chemical means constitute the material and technical basis for modernized agriculture, and apart from them it would be impossible to effect industrialization and modernization of agriculture. We have fulfilled the four major tasks of the rural technical revolution by and large and thus achieved a remarkable progress in the struggle to put agriculture on an industrial and modern basis, and laid solid foundations for modern agriculture. Our task at the present stage is to follow up the success in the rural technical revolution to advance the industrialization and modernization of agriculture to a high level.

We must, first of all, consolidate the success achieved in irrigation, electrification, mechanization and chemical application so that their effectiveness can be displayed to the full. Thanks to the rural technical revolution, our countryside has been equipped with an enormous amount of material and technical means that serve agricultural production. To take good care of them and make an effective use of them is now the first and foremost task in promoting the industrialization and modernization of agriculture. In the field of irrigation it is necessary to maintain in a good state of repair and reinforce the irrigation facilities, structures for water conservation, reservoirs, canals and all other means of irrigation on a planned basis and conserve water scientifically and technically, so that damages from whatever drought and flood can be prevented and the water problem solved completely in farming. We must regularly repair and maintain tractors and other modern farm machines, effectively use them and improve the system of supplying electricity to rural areas. We must supply a good assortment of chemical fertilizers, chemicals and herbicides to meet their demands and set up a scientific fertilizing system to improve the efficacy of fertilizers. We must ensure that all the valuable successes achieved in the rural technical revolution by the joint efforts and wisdom of our working class, cooperative farmers and all the other people and on the strength of self-reliance and fortitude under the leadership of the party, prove very effective and bear fruit in the development of our socialist rural economy.

We must raise the level of industrialization and modernization of agriculture steadily by further expanding and developing the successes registered in the technical revolution in the rural areas.

Since irrigation and electrification have been completed at a high level, we must concentrate our efforts on expanding and developing the successes in mechanization and chemical application. It is only when we develop the comprehensive mechanization of agriculture and the application of chemical means to the rural economy onto a high level that we can carry out successfully the political and economic tasks of the rural technical revolution aimed at freeing the agricultural workers from backbreaking labour and augmenting agricultural production continuously. Only when we develop mechanical techniques in the countryside and supply larger numbers of various machines to the rural areas, can we consolidate the success achieved in irrigation, perfect the irrigation system further and follow up the success in electrification. We must mechanize all farm work ranging from the major operations to auxiliary jobs in crop-raising; we must also work hard to effect mechanization in fruit-growing and other branches of the rural economy. It is necessary to use chemicals to kill weeds in all paddy and non-paddy fields, prevent damage by all insect pests and raise the per-hectare crop yields. On the basis of our developing chuche-based industry, we must invent and manufacture larger numbers of tractors and lorries, and other kinds of effective, modern farm machines suited to our countryside and supply them to the rural areas, and develop new varieties of effective chemical fertilizers and chemicals and produce them for the countryside.

An important task in consolidating and developing the success scored in the rural technical revolution is to complete the realignment of land and to solve the problem of fuel needed for the mechanization of the rural economy. To complete land realignment is a gigantic project to transform the surface of the land, widen the area of farm land and raise the level of mechanization of the rural economy. The people in the rural economy must work out annual plans for land realignment and concentrate machines and other technical means and manpower on large-scale land realignment so as to change small plots of paddy fields and slopping fields in a short period into large-sized standardized fields for mechanized farming. We must set up solid bases for the production of such fuel substitutes as methane gas or chip-briquettes in county towns and ri of the countryside and produce large quantities of fuel substitutes and use them widely for tractors, lorries and various other farm machines.

We must develop agricultural science and adopt its success widely, and implement the chuche farming method of our party thoroughly to make agricultural production more scientific and intensive.

We must establish solid agricultural research institutes and intensify research into agriculture, and step up the green revolution. In particular, we must, on the basis of the success in cell engineering, gene-engineering and other spheres of modern biology, obtain good, high-yielding seeds and develop the techniques of crop raising and livestock breeding.

The chuche farming method created by our party is a scientific and technical method of farming suited to the climatic and soil conditions of our country and the biological characteristics of crops; it is a method of growing farm crops in a highly intensive way on the basis of modern science and technology. Drawing on the success in agricultural science and technology, we must develop and enrich the chuche farming method and, in accordance with it, do all farm work in a scientific and technical manner.

We must put agriculture on an industrial and modern basis and develop farming methods and the system of crop growing so as to eliminate the distinctions between industrial labour and agricultural labour gradually and raise the efficiency of agricultural labour decisively. In future, we must ensure that a farmer manages at least ten hectares of paddy and non-paddy fields.

On the basis of success achieved in the rural technical revolution and the development of agricultural science and technology, we must continue to increase agricultural production.

Grain production is the basic element in farming. Our party has already set the target of producing 15 million tons of grain. We must increase the per-hectare yield of rice and maize to at least eight tons each in all areas and on all farms in the near future, and then to ten tons or more. In addition, we must reclaim tideland energetically, protect farm land and obtain new land, so as to expand the area under cultivation. Thus, we will fulfil and overfulfil the target of grain production set by the party in the near future.

We must develop all branches of agriculture including stockbreeding, fruit-growing and silkworm-raising as well as grain production to find a better solution to the problem of food for the people and supply an adequate amount of raw materials from agriculture to meet the demands of industry.

Assistance to the rural areas must be further stepped up in keeping with the development of socialist rural construction onto a new high.

Guidance of the working class to the peasantry, industry's assistance to agriculture and the support given by the towns to the countryside are the intrinsic requirements of the socialist society and a fundamental principle of solving the socialist rural question put forward in the rural theses. Under socialism assistance to the rural areas should be strengthened without letup until the countryside reaches the level of the town in all aspects. We must further intensify assistance to the rural areas in political, economic, cultural and other fields in accordance with the present requirement of socialist rural construction.

It is the historical mission of the working class not only to free the farmers from exploitation and oppression by leading them along the road of socialism but also to eliminate the distinctions between working class and peasantry and build a classless society by training them into revolutionaries and assimilating them to the working class. We must ensure that the working class further improve their revolutionary character, sense of organization and cultural refinement to set an excellent example in transforming the peasantry after the revolutionary and working-class pattern and enhance their leading role in socialist rural construction.

What is important in socialist rural construction at present is to intensify industry's material and technical assistance to agriculture. In socialist society agricultural productive forces develop in the wake of industrial productive forces, and industry's material and technical assistance is the prerequisite for putting agriculture on an industrial and modern footing. We must increase the capabilities of the chuche-oriented industry and further develop the industrial branches directly serving agriculture, particularly those which produce tractors, lorries and other modern farm machines and chemical fertilizers, so that our industry vigorously promotes the industrialization and modernization of agriculture. All the industrial sectors must give active material and technical assistance to agriculture as required by the agriculture-first policy of our party and on a preferential basis produce the fuel, power, equipment and materials needed for agricultural production and rural construction.

Commodity supply for the rural communities should be improved. Only when an adequate amount of industrial goods is turned out and supplied to meet the demands of the countryside, can the economic ties between towns and countryside be fully guaranteed, the farmers' standard of living be systematically improved and their zeal for production be further heightened through the correct implementation of the socialist principle of distribution in the countryside. We must step up the revolution in light industry, produce a wide variety and larger quantities of industrial goods for the countryside to fill the rural shops with high-quality household utensils and articles for cultural use as well as daily necessities so that the rural population can buy at any time whatever goods they need.

In addition, it is important to fix the prices of industrial products supplied to the countryside and the purchasing prices of agricultural products reasonably. In our country the state uniformly fixes the prices of industrial products and the purchasing prices of agricultural products and these prices serve as an important economic lever that ensures the production and commercial ties between towns and countryside in a planned way and urban support for the countryside. We must properly fix and apply the prices of industrial products and the purchasing prices of agricultural products on the principle of strengthening industry's assistance to agriculture and urban support for the countryside to ensure a balanced development of industry and agriculture and an equitable improvement of the living standards of workers and farmers.

We must firmly adhere to the principle of giving assistance to the countryside, always pay close attention to the development of agriculture and the lives of the agricultural workers, accelerate the industrialization and modernization of agriculture on the basis of industrial development and take positive state and social measures to provide the farmers as well as the workers with better working and living conditions.

In order to eliminate the distinctions between towns and countryside and finally solve the rural question, we must, on the strength of the success in the ideological, technical and cultural revolutions, eliminate the distinctions in the standard of economic management between industry and agriculture, and turn cooperative property in the countryside gradually into all-people property.

The basic method of eliminating the distinctions in the standard of economic management between industry and agriculture is to bring the management method of the agricultural cooperative economy close to the advanced enterprise management method of industry as indicated by the rural theses.

After the cooperativization of agriculture in the countryside, our party established the chuche-orientated system of agricultural guidance centring on the county cooperative farm management committee, and ever since it has steadily improved its guidance and management of the socialist rural economy. The reality of our rural communities clearly shows that the system of agricultural guidance established by our party is the most effective way of giving industrial guidance and the state's material and technical assistance to the cooperative rural economy.

We must build up the county cooperative farm management committee and other agricultural guidance organs in keeping with the requirement of the developing situation and enhance their functions and role to improve the guidance and management of the rural economy.

Now that the material and technical foundations of the rural economy have been consolidated incomparably and the level of industrialization and modernization of agriculture is rising every day, we must improve technical guidance to agricultural production decisively. The technical guidance of agricultural production is the main task of the county cooperative farm management committee which gives direct guidance to the production and management activities of cooperative farms in the field. The management committee must establish a well-organized system of technical guidance, give scientific and technical guidance to all the processes of agricultural production as required by the chuche farming method and ensure that the cooperative farms make effective use of the modern farming machines and farming materials. The management committee must also build up the state enterprises that serve the rural cooperative economy and manage them skilfully so that they play a greater role in the agricultural production of cooperative farms and realize the state's material and technical assistance effectively.

In the guidance and management of the rural economy, it is necessary to raise the level of planning and ensure the economic effectiveness of production. The state planning institutions and the agricultural guidance organs must draw up a dynamic and feasible agricultural production plan and assess its implementation substantially so that the agricultural workers display a high sense of responsibility and great enthusiasm for carrying out the plan. They must work out an accurate, well-coordinated plan of material supply and technical assistance for the rural economy, and supply all the farming equipment and materials punctually as planned. The agricultural sector must make strenuous efforts to save manpower to the maximum, make rational use of the farming equipment and materials and increase the economic effectiveness of production.

The management of cooperative farms must be improved. The cooperative farms must organize farm work rationally to suit the natural and geographical conditions and their specific farm situation and coordinate correctly the farming processes, the organization of labour and the utilization of the equipment and materials in a comprehensive manner so that all the farming operations are carried out qualitatively in the right season. The cooperative farms must manage manpower, equipment, materials and funds efficiently and observe the principle of democracy strictly in their management.

Cooperative farms must organize workteams and sub-workteams in a rational way and run them efficiently; they should also apply the workteam premium system and sub-workteam management system properly. A sub-workteam is a cell of communal labour and collective life; the sub-workteam management system is an excellent mode of production organization and management method which ensures that the farmers take a sincere part in production and management as masters with affection for the communal economy. The superiority of the system should be given full rein so as to improve the cooperative farms' production and management steadily and cultivate the sense of collectivism among the farmers.

Cooperative ownership should be switched over to all-people ownership with success by consolidating and developing the agricultural cooperative economy.

The switchover is a historic event of completely transforming the farmers' socio-economic relationships. This is a great social change; nevertheless, unlike the switchover of private ownership to socialist ownership, this is a development of the lower stage of cooperative ownership to the higher stage of all-people ownership, in the framework of the same socialist ownership; this work must, to all intents and purposes, be carried out gradually in keeping with the maturity of all the conditions and possibilities.

The fundamental prerequisite for the switchover is to raise the level of ideological consciousness of the cooperative farmers and consolidate the material and technical foundations of the cooperative economy. A vigorous drive should be launched in socialist rural construction to capture the ideological and material fortresses and thus train the cooperative farmers into revolutionaries and assimilate them to the working class and put the rural economy on a high industrial and modern footing; only on this basis can cooperative ownership be elevated to all-people ownership. If cooperative property is made the property of the entire people too hastily without sufficient ideological, material and technical preparations, it will give rise to an unhealthy tendency to eat the bread of idleness in the countryside, decrease agricultural production and cause a great hindrance to the overall construction of socialism. We have been creating favourable conditions for switching cooperative ownership over to all-people ownership in the future by carrying out the ideological, technical and cultural revolutions in the countryside while closely combining the two forms of ownership and steadily improving the leading role of all-people ownership in conformity with the basic principles of solving the socialist rural question, the principles elucidated in the rural theses.

We must consolidate and develop the success already achieved in socialist rural construction and efficiently perform the task of switching cooperative ownership over to all-people ownership without any deviations.

Cooperative farms should be converted into all-people property with the county as a unit. In our country the county is the base for linking the towns with the countryside in all spheres of politics, the economy and culture and serves as the basic unit for the direct guidance and management of the rural economy. A county has the farm machine stations, farm implement factories, irrigation administration offices and other state enterprises which serve the rural economy, and equipment and farming materials are supplied to cooperative farms with the county as a unit. Therefore, cooperative ownership must be transformed into all-people ownership with the county as a unit. Even after cooperative farms are converted into the state farms of all-people ownership, the rural economy must be developed on a county basis.

The forms and methods of converting cooperative property into all-people property, too, must accord with the socialist rural economic system of our country and the specific situation in our rural communities.

Since a well-organized agricultural guidance and management system has been established with the county as a unit in our country, the most reasonable form and method is to convert cooperative farms in the county into state farms under all-people ownership and let the county undertake their unified guidance and management. This will make it possible to manage satisfactorily the farms which have come under all-people ownership, using and strengthening further the comprehensive guidance and management system of the rural economy and the material and technical means that serve agriculture, which have already been prepared in counties. In this case, the county cooperative farm management committee may be changed into a state farm management committee, an agricultural guidance body, or into an agricultural complex. If the management committee is transformed into an agricultural complex rather than an agricultural guidance body, this will enhance its sense of responsibility and role in agricultural production and improve its industrial direction of the farms.

When the county cooperative farm management committee is transformed into an agricultural complex, the state enterprises that serve agriculture and state farms will come under its jurisdiction, and both the complex and the enterprises and farms under it must operate by the self-balancing system and they all will become involved in the dual self-balancing system. We have introduced the self-balancing system with the county as a unit in Sukchon County to set an example in anticipation of the transformation of cooperative property into all-people property.

When converting cooperative farms into the state farms under all- people ownership, we should somewhat enlarge the size of farms by their reasonable merger and adjustment so as to make effective use of land, irrigation facilities, tractors and other production means.

In a county of moderate size where the level of management of the county cooperative farm management committee and cooperative farms is high, all the cooperative farms and the state enterprises that serve agriculture in that county may be merged into a state farm with the former cooperative farms made its branch farms and the former enterprises its workshops. If this is done, the cooperative farms and agricultural enterprises in the county will come under a general state farm and may facilitate the effective use of manpower, land, equipment and materials.

The general farms, which have been organized as model units in Sonbong and some other counties through the merger of not only agriculture but also local industry, goods distribution, education, culture, health care and all other local administrative and economic functions, must continue to operate, further improving their management. With the development of the farms of all-people ownership and with the accumulation of experience in the operation of state farms of different forms, the number of such general farms may be increased.

Even after cooperative ownership is converted into all-people ownership, all state farms should be managed under the self- balancing system and the socialist principle of distribution should be thoroughly implemented. This is an important requirement for managing the state farms of all-people ownership rationally and stimulating the farmers' productive enthusiasm to give full play to the advantages of state farms.

We must define correct forms and methods of transforming cooperative ownership into all-people ownership, by drawing on the advantages of the socialist agricultural system of our style and on the success in the building of the socialist countryside, in such a way as to preserve the existing guidance and management system of agriculture without changing it too much and by taking each local situation into careful consideration. The work of converting cooperative ownership into all-people ownership should be started on a trial basis in some counties where all conditions including the ideological level of farmers and the material and technical foundations of the rural economy have fully matured, and then should be extended to other counties gradually as experience accumulates. This will enable us to avoid possible deviations and loss in the process of transforming cooperative ownership into all-people ownership, carry out this task smoothly and further develop the rural economy without any turns and twists.

Because cooperative farms are to be switched over to state farms of all-people property on a county basis, the county will, in the future, too, play an important role as the base which links town and countryside and as an all-embracing unit of guidance and management to the rural economy. Therefore, it is necessary to build up the county, develop local industry further, and improve education, culture, health care and public welfare. The county must expand and strengthen the enterprises and the production establishments serving the rural economy to speed up the development of agriculture. All the counties must make it their major task to develop agricultural production and improve the living standard of the rural population and must push forward the construction of socialist countryside.

The complete conversion of cooperative property into all-people property will establish an undivided sway of all-people property in our country. We must brilliantly fulfil the historic tasks of eliminating the distinctions between urban and rural communities, between working class and peasantry, of solving the rural question ultimately and realizing a classless society, by advancing along the road indicated by the socialist rural theses, along the road of our socialism.

In order to solve the rural question successfully, the party must strengthen its guidance of socialist rural construction.

Party leadership is the lifeline of socialist rural construction and the building of socialism as a whole. Without party leadership, it would be impossible to solve the difficult and complex problems of socialist rural construction with success.

The party organizations in the agricultural sector must strengthen organizational and political work and ensure that all the officials and working people of the rural economy accelerate socialist rural construction under the leadership of the party. Party organizations and party officials must pay deep attention to the rural question, mobilize the party's effort to give a strong impetus to rural work and encourage the masses to give active assistance to the countryside.

It is important to enhance the role of the county party committee in improving party guidance to the rural economy.

The county party committee is the lowest leadership unit of our party, and it must work mainly among the rural communities. Our party's policy is amplified by the county party committee to suit the specific local situation and implemented under it guidance. Enhancing the role of the county party committee is an important factor for success in the building of the socialist countryside.

The county party committee must put great efforts into implementing the party's rural policy. It must hold fast to the party's rural policy and define the direction and methods of its implementation correctly, intensify political work among the masses as required by the chongsanri spirit and chongsanri method, and vigorously mobilize them in the implementation of party policy. It must encourage the officials of the county cooperative farm management committee and other administrative and economic bodies to do all work of socialist rural construction in a responsible manner by displaying a high revolutionary spirit, party spirit, working- class spirit and the spirit of service to the people, true to the party's rural policy.

It is now an important task of the county party committee to strengthen the rural bulwark of socialism politically, ideologically and from the class point of view. The county party committee must intensify party work, work among the people, in the countryside and rally the broad masses more closely behind the party by thoroughly implementing the mass line of the party, so that they share life and death and destiny with the party and support party leadership loyally. The county party committee must strengthen the ri party committees and rural party cells and help and lead all rural party organizations to perform their functions and role properly.

The struggle of our party and our people to build the socialist countryside is a glorious and fruitful struggle. We must continue to innovate and advance to speed up the development of the socialist countryside and hasten the complete victory of socialism.

I believe that you who are present at the national agricultural conference and all the agricultural working people throughout the country will bring about a new revolutionary change in socialist rural construction by working hard, holding aloft the banner of the socialist rural theses.

### Premier Delivers Report

*SK2502123694 Pyongyang KCNA in English 1051 GMT 25 Feb 94*

["Report by Premier Kang Song-san at National Agricultural Conference"—KCNA headline]

[Text] Pyongyang, February 25 (KCNA)—Kang Song-san, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and premier of the Administration Council, made a report "on the great victory of the socialist rural theses and future tasks" at the national agricultural conference which opened here today with a large attendance.

The reporter said that the publication of "Theses on the Socialist Rural Question in Our Country" authored by the great leader Comrade Kim Il-song 30 years ago was an event of historical significance in achieving the victory of the chuche cause of socialism and the eternal prosperity of the country and the people. In the period, he noted, our party and people have made big strides along the road shown by the theses, bringing about phenomenal changes in all spheres of socialist rural construction.

He quoted the great leader Comrade Kim Il-song as saying:

"In the 'Theses on the Socialist Rural Question in Our Country' our party illuminated the basic principles and ways for finding the final solution to the peasant and agricultural questions after the establishment of the socialist system, and roused the whole party, the whole country and the entire people to implement them."

The rural theses are a great programme of socialist rural construction which was worked out on the basis of the man-centred chuche idea and a classical work which was the first in history to give correct answers to all theoretical and practical questions arising in the solution of the rural question and break a new ground in the development of the revolutionary idea of the working class. The rural theses of our party opened a broad road for revolutionizing the peasants and assimilating them to the working class, industrializing and modernizing agriculture to elevate the agricultural productive forces to a high degree and building the socialist countryside, affluent and civilized, where the agricultural working people will enjoy an independent and creative life to the full.

According to the report, first of all, remoulding of man has been successfully pushed ahead in the countryside and the ideological and cultural life of the agricultural working people improved in all aspects through the vigorous efforts to carry the theses into practice.

Ideological education for revolutionizing and working-classizing the peasantry was intensified in the course of fulfilling the task to give priority to the ideological revolution laid down in the rural theses, with the result that all our agricultural working people have been firmly armed with the socialist idea of chuche, the revolutionary idea of our party, and the chuche idea has become predominant in rural communities. The great changes in the ideological and moral traits and manner of work of our peasants are the most precious success achieved in our efforts to implement the theses, which is incomparable even to millions of tons of rice.

As a result of the active cultural revolution along with the ideological revolution, our peasants have grown to be more powerful beings and their cultural living conditions have been fundamentally improved.

Regular universities and colleges of agriculture and such study-while-working centres for training technical personnel as farm colleges have been firmly built up in each province, at which a large number of agro-technicians and experts are being trained. Under the popular policy of our party, tap water, bus, wire radio and television services have been introduced, clinics developed into hospitals and cosy modern dwelling houses built in the rural areas. Newspapers, magazines and various books find their way to each peasant household. Thus our countryside has turned into a prospering modern socialist countryside good to live and work in, which is little different from towns.

With the successful fulfilment of the four major tasks of the rural technical revolution—irrigation, electrification, mechanization and an extensive chemical application—through the energetic efforts to implement the rural theses, solid material and technical foundations of socialism have been laid in the countryside and, on this basis, the peasants are satisfactorily provided with independent and creative living conditions.

As a result of the completion of irrigation and electrification of agriculture on a high level, our country has a most advanced and powerful irrigation system under which rich and stable harvest is reaped in any weather, and the yearly electricity consumption in the rural areas has increased 8.6 times the 1963 figure.

Over the past 30 years the number of the tractors and lorries engaged in agriculture has increased respectively six and five times, with the result that the comprehensive mechanization of agriculture in the country is reaching a high level where all categories of farm work ranging from ploughing to sowing, rice-transplanting, weeding, harvesting, thrashing and carriage are done with the help of machines.

An extensive use of chemicals in farming has been realized to sharply increase the supply of chemical fertilizers. Now, in our country the amount of chemical fertilizers applied to each hectare of paddy and non-paddy fields has reached more than two tons, far surpassing the target set by the theses, and the quality of their properties has improved with the rational combination of various kinds of them.

A great progress has been made in the transformation of social relations in the countryside in conformity with the requirements of socialism.

Through the efforts to give full play to the advantages of the new agricultural guidance system, the major component of which is the county cooperative farm management committee, such a difficult and complex problem as guiding and managing the rural economy has been successfully solved on the principle of collectivism in conformity with the nature of socialism and industrial guidance and the state's material and technical assistance strengthened through the committee.

As a result, the advanced industrial management and production culture have gained a wide scope in the rural communities and distinctions between industry and agriculture in industrial management and ownership of the means of production are diminishing fast.

Over the past 30 years since the publication of the rural theses, grain production has jumped 1.9 times, of which rice 1.8 and maize 2.2. Our agriculture reaped an unusually rich harvest last year, the year before the 30th anniversary of the publication of the rural theses, by effecting a new upsurge, despite a long spell of frost and abnormal low temperature. The principle of the right crop on the right soil and in the right time and an intensive farming method based on tending each plant with care have been applied on a full scale and the demands of the chuche farming method for each stage and process of farming thoroughly met, with the result that we now gather in 8,9,10, and even 15 tons of rice and maize per hectare from fields which yielded two or three tons in the past.

With the fast progress of ideological, technical and cultural revolutions in the countryside, the level of ideological consciousness of the peasants and their technical and cultural standards have been enhanced, the material and technical foundations of agriculture consolidated and the gaps between industry and agriculture and between towns and rural areas narrowed in all spheres, creating more satisfactory conditions for converting cooperative property into all-people property.

The socialist rural economic system in our country is neither an invention of an alien nor an imitation of other's. It is a most independent and popular system of the rural economy which our people, notably the agricultural working people, have established for themselves to suit their faith and demand by applying the rural theses under the leadership of the party. And it is a most solid and viable system which is advancing confidently towards socialism on the basis of collectivism.

The 30 years of efforts for building the socialist countryside and all the historical gains in this course, the reporter said, prove that "Theses on the Socialist Rural Question in Our Country" authored by the great leader Comrade Kim Il-song shows the only correct guideline for clearing away the leftovers of old society in the rural areas after the establishment of the socialist system and finally solving the rural question, and that only under the wise leadership of the party and the leader is it possible to successfully accomplish the cause of the socialist rural construction without any deviation and turns and twists and well build an ideal socialist society of chuche desired by the entire people.

We can say with pride and honor that we have created a model of socialist rural construction by successfully solving the peasant and agricultural questions, the difficult and intricate problems in building socialism, from an independent stand under the wise guidance of the party and the leader, he noted.

Outlining tasks to give full play to the advantages of the socialist agricultural system of chuche, he said: We should, as in the past, so in the future, too, invariably advance along the road of continued revolution indicated by the great leader Comrade Kim Il-song in the theses.

He further said:

We must continue to push ahead with the ideological revolution in the countryside so as to more closely unite all the agricultural working people behind the party and the leader, strengthen the singlehearted unity of our revolutionary ranks and rear all of them better to be ardent revolutionaries faithful to the cause of socialism.

An important task in the ideological revolution at present is to ensure that all the agricultural working people have a firm faith and will for the victory of the cause of socialism and highly demonstrate the revolutionary spirit of self-reliance and strenuous efforts.

While consolidating the achievements in irrigation, electrification and mechanization of agriculture and an extensive use of chemicals in farming, we must increase the state investment in agriculture and further strengthen the material and technical foundations to bring another epochal change in agricultural production.

And we should continuously push on the cultural revolution in the rural areas to raise the level of technical and cultural standard of the agricultural working people and build a more cultured countryside.

The industrial guidance of agricultural production must be strengthened in conformity with the realistic demand of the developing rural economy, the leadership of all-people property over cooperative property constantly enhanced and measures taken for gradually converting the cooperative farms into farms of all-people ownership in order to establish the single ownership of the whole people in future.

The internal and external situation of our revolution remains grim and complex and our people's struggle is difficult and arduous, but no imperialist reactionary force can bring into submission the Korean people who are advancing courageously with conviction of the validity of their cause or deprive our people and agricultural working people of their independent and creative life which they are enjoying in the most advantageous socialist society of chuche, the reporter concluded.

### WPK Sends Message to Conference

*SK2502122094 Pyongyang KCNA in English 1030 GMT 25 Feb 94*

[Text] Pyongyang, February 25 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a congratulatory message to the national agricultural conference which opened in Pyongyang today with a large attendance.

The message said the conference which is open in a significant year in which falls the 30th anniversary of the publication of the socialist rural theses is a historical conference which will proudly review the great victory in brilliantly fulfilling the tasks set by the rural theses and display the validity of the theses and the vitality of the socialist agricultural system in our country and a glorious conference which will demonstrate the invincibility of our-style socialism.

With the chuche-based socialist rural theses carried into reality under the wise guidance of the party and the leader, a brilliant example has been set in the solution of the rural question and a change of the century has taken place in our countryside, the message noted, and stated:

With the ideological revolution carried on vigorously in the countryside, our agricultural working people are being prepared to be dependable chuche-type revolutionaries who always breathe and struggle as intended by the party, regarding loyalty to the party and the leader as their life and soul, and are honestly working for the country and the people, the society and the collective under the slogan "One for all and all for one!"

As a result of the successful implementation of the party's policy of the rural technical revolution, irrigation has been completed on a high level and electrification realized with success in the rural communities, and a great progress has been made in the mechanisation of agriculture and extensive use of chemicals, enabling the farmers to do farming easily and efficiently with the help of machines and chemicals.

And the chuche farming method has been strictly applied, with the result that agricultural production is rapidly developing on the basis of modern science and technique. And the vigorous rural cultural revolution has helped remarkably enhance the level of general knowledge and technical and cultural standard of the agricultural working people and turn our countryside into a cultured and affluent modern socialist rural areas.

With the constant improvement of the guidance and management of the rural economy and enhancement of the guiding role of all-people property over cooperative property, a great success has been made in eliminating the distinctions between towns and the countryside in the form of management and ownership.

The WPK Central Committee in the message noted that our agricultural working people in the past 30 years have made great contributions to the building of a new socialist life in the motherland and to the prosperity and development of the country and a greater happiness of the people with their devoted struggle and creative labour, cherishing in their hearts the firm faith in socialism, and highly estimated their feats in labour.

Calling upon the entire party members and working people in the agricultural domain to make redoubled efforts to effect a new upswing in rural construction and agricultural production in hearty response to "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses", the historical letter sent by the great leader Comrade Kim Il-song to the conference, the message elaborated on the tasks for this.

It said: The ideological revolution must be deepened, first of all, so as to push ahead with the work of arming the party members and other working people with the great chuche idea and the chuche-based idea of rural construction of the party and assimilating the farmers to the working class and revolutionizing them. And the technical revolution must be powerfully pressed ahead on a higher stage, to ensure that the material and technical foundations of agriculture are further consolidated and a constant upsurge is effected in agricultural production.

Through a more dynamic cultural revolution, the number of agro-technicians must be largely increased, the technical and cultural level of the agricultural working people who are directly responsible for agricultural production be lifted to a higher stage and a cultural and hygienic practice in and out of work be developed to build up our socialist constryside into ideal villages good to work and live in.

The WPK Central Committee in the message expressed the hope that all the agricultural working people, united behind the party and the leader as firm as a rock, will determinedly struggle to firmly defend and further glorify Korean-style socialism under the banner of the chuche idea and thus creditably live up to the deep trust and expectation of the party.

### Papers Mark Theses Publication

*SK2502121994 Pyongyang KCNA in English 1016 GMT 25 Feb 94*

[Text] Pyongyang, February 25 (KCNA)—Papers here today dedicate editorials to the 30th anniversary of the publication of "Theses on the Socialist Rural Question in Our Country", an immortal classical work of the great leader President Kim Il-song.

NODONG SINMUN in an editorial headlined "30 Hears of Victory and Change Along the Road Indicated by Great Rural Theses" says that the publication of the socialist rural theses 30 years ago was a historical event which is of weighty significance in the revolutionary struggle of our people for a victory of the socialist cause of chuche.

Noting that a national agricultural conference was grandly opened in Pyongyang on the occasion of the 30th anniversary of the publication of the rural theses, the paper says:

The conference will be a rally of victors powerfully demonstrating the greatness and invincible vitality of our party's programme of socialist rural construction and a new milestone in developing our socialist rural economy onto a higher stage.

The great leader Comrade Kim Il-song sent a historical letter "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses" to the national agricultural conference.

The great leader in his letter proudly reviewed the victory of our party and people in the struggle to implement the rural theses and put forward the militant tasks to effect a new upswing in the rural construction. The letter is a fighting banner to win a historical victory in finally solving the rural question, the most difficult one in the socialist construction.

The period since the publication of the theses was 30 years of victory in which a most brilliant example was set in the solution of the socialist rural question, the paper notes. It refers in detail to the achievements in the final solution of the rural question.

It stresses that the great victory and achievements in the struggle to implement the rural theses in the past were entirely a brilliant fruition of the wise guidance of the respected leader Comrade Kim Il-song.

Noting that we are now faced with the honorable tasks to further consolidate and develop the socialist rural economic system in our country and effect a new upswing in the agricultural production on the basis of the great victory achieved in the socialist rural construction, the paper outlines these tasks.

An editorial of MINJU CHOSON stresses that our socialist countryside which is advancing along the road indicated by the rural theses, holding the illustrious leader in high esteem, will boundlessly prosper and the socialist cause of chuche will make a long drive forever.

### 'World Public' Lends Praise

*SK2402152294 Pyongyang KCNA in English 1507 GMT 24 Feb 94*

["'Theses on Socialist Rural Question in Our Country Is Great Programme for Rural Construction'"—KCNA headline]

[Text] Pyongyang, February 24 (KCNA)—The world public is unanimously praising the "Theses on the Socialist Rural Question in Our Country" published by the great leader President Kim Il-song as a great programme for the socialist rural construction which gives a perfect scientific exposition of all the theoretical and practical questions arising in the solution of the rural question for the first time in human history.

Aubrey G. Thomas, chairman of the group for the study of the chuche idea of Comrade Kim Il-song in Goedverwagting, Guyana, said that the ideas expounded by respected President Kim Il-song in the rural theses were the unique idea elucidating a clear vista of solving the rural question and great idea indicating the right way of completely liberating the farmers freed from exploitation and oppression even from the fetters of old ideas and nature.

The Egyptian paper AKHER SA'A wrote that President Kim Il-song created the chuche method of farming after his earnest study while personally raising crops in the garden for the settlement of the rural question and applied it to farming.

The Central African news agency said that the development of agriculture in Korea was made entirely by the wise guidance of the respected leader President Kim Il-song, adding that Korea has firmly laid the powerful material and technical foundations which make it possible to endlessly increase agricultural production, unaffected in any unfavourable condition.

The Syrian paper NIDAL PALYAHIN said that the farmers of Korea are now leading a rich and cultural life; like in towns.

The Zambian paper ZAMBIA DAILY MAIL in an article stressed that the countryside of Korea built by the great President Kim Il-song reminds us of paradise or utopia pictured by ancient people to themselves.

### ROK in 'Scheme' To Remove Koreans From Sakhalin

*SK2402153694 Pyongyang KCNA in English 1517 GMT 24 Feb 94*

["DPRK Red Cross Society Hits at S. Korean Authorities' Scheme To Take Away Koreans From Sakhalin"—KCNA headline]

[Text] Pyongyang, February 24 (KCNA)—The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea released a statement on February 24 denouncing the crafty and insidious scheme of the South Korean authorities to take Korean residents in Sakhalin, Russia, to South Korea in conspiracy with the Japanese Government as a treacherous act selling off the dignity and interests of the nation for a few amount of money.

The South Korean authorities, absurdly contending that the issue of Korean residents in Sakhalin had been a political one but it is now purely a humanitarian issue, revealed their intention to settle this issue by receiving a few amount of money from the Japanese Government as traveling expenses for their immigration, the statement says:

The residence of Koreans in Sakhalin resulted from the fact that when the Japanese imperialists illegally occupied Korea, they forcibly took them away by issuing an outrageous "general mobilization order" and overdrove them before leaving them in Sakhalin.

The Japanese Government has neither officially apologized to the Korean people nor compensated for Japan's past crimes. Then, how can the problem suddenly become a mere humanitarian problem, losing its political nature?

The problem of Koreans taken to the Far East by the Japanese imperialists is not a matter confined to the 40,000 Koreans resident in Sakhalin but a serious matter which can be solved only when the Japanese Government make an apology and compensation to nearly 500,000 Koreans who are living in the former Soviet Union.

Our nation has the right in view of the international law to get an apology and claim compensation from the Japanese Government for the national misfortune and sufferings experienced by all the Koreans overseas, not to speak of those living scattered in the former Soviet Union, for nearly one whole century.

This notwithstanding, the South Korean rulers, under the humanitarian [word indistinct] have launched a deceptive "charity" offensive among the Sakhalin-resident Koreans. This is motivated by a sinister intention to [words indistinct] "foundation" in the Far East of Russia and foster discord and confrontation within the nation by winning over them, thus perpetuating the division of the country.

As all Koreans overseas who visited South Korea confirmed, the South Korean society, a corrupt and ailing society where the rich is getting richer and the poor poorer, provides no political and economic guarantee for the life of those who return to South Korea from foreign countries.

We believe that all the Koreans in Russia and other areas (?of the) former Soviet Union will rise up as one in the staunch struggle to reject the insidious and crafty moves of South Korean and Japanese authorities to bring them to South Korea and defend the dignity and interests of the nation.

Our nation will settle scores to the last for all the crimes committed by the Japanese imperialists in the past and will never pardon the traitors who are selling the interests of the nation to Japan, courting its favor.

The South Korean and Japanese authorities must be mindful that if they persistently resort to base plots to bring Sakhalin-resident Koreans to South Korea, ignoring our solemn warning, they will by no means evade the possibility for such a crime as insulting and abusing the noble humanitarian idea and will bring a greater disgrace to themselves under the eyes of the world.

## Kim Yong-sam Condemned for Remarks on GATT

*SK2402151694 Pyongyang KCNA in English 1502 GMT 24 Feb 94*

[Text] Pyongyang, February 24 (KCNA)—The traitor Kim Yong-sam Monday decried the demand of people of all walks of life for another "Uruguay Round [UR] negotiation" concerning agricultural market opening, and ruled out the possibility of another negotiation, claiming that the demand came from ignorance of "diplomacy," according to a radio report from Seoul.

It was outrageous of the traitor to try to justify the kowtowing diplomacy and treacherous diplomacy yielding to the brigandish demands of foreign aggressors and call for accepting it.

He openly broke his "election commitment not to open the rice market" when it was still vivid in people's memory. This revealed once again the true color of the poor fellow who has prolonged his life with perfidy and treachery.

## South Reportedly Commits 'Military Provocation'

*SK2502104194 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 25 Feb 94*

[Text] On 25 February, the South Korean puppets committed a grave military provocation by firing a large-caliber artillery gun against the areas on our side.

Around 1053 [0153 GMT] today, the armed rascals of the South Korean puppet army, who were entrenched in Taeyongpyong Island, fired a 155 mm gun against Changje Island at our side on the sea off (Pokpo) in Kangnyong County, South Hwanghae Province. Because of this, fishermen of our side, who were catching fish in the area, were gravely threatened.

Such action by the South Korean puppets has not escalated into an armed conflict between the two sides. This is totally due to our People's Army soldiers' high sense of patience and self-control.

The dangerous military provocation by the South Korean puppets—which was committed in broad daylight—is a deliberate provocation to lead the Korean peninsula to confrontation and war.

We regard such provocation by the South Korean puppets as even more grave because they committed it at the same time of their persistent strategy and war maneuvers in order to crush [apsal] our Republic, the socialist fortress, in collusion with outside forces under the pretext of our non-existent nuclear issue.

With a high sense of the revolutionary alertness, our people and the People's Army soldiers are keenly watching out the new war provocations by the U.S. imperialists and the South Korean puppets.

Because of the U.S. imperialists' and the South Korean puppets' continuous new war provocations, a grave touch-and-go situation has been created on the Korean peninsula. Therefore, they must clearly see it and must not act recklessly.

Despite our repeated warnings, if the South Korean puppets continue to embark upon the road of confrontation and war, warmongers cannot avoid the stern punishment.

## KCNA Reports 'Grave Provocation'

*SK2502115794 Pyongyang KCNA in English 1117 GMT 25 Feb 94*

["South Korean Puppets Commit Grave Military Provocation"—KCNA headline]

[Text] Pyongyang, February 25 (KCNA)—The South Korean puppets committed a grave provocation today by firing a large-calibre gun into the area of the North side.

At around 10:53 the armed bandits of the South Korean Puppet Army entrenched on the Taeyonpyong Islet fired their 155 mm gun toward the Changjae Islet of the North side on the West Sea of Korea off Pupo, Kangnyong County, South Hwanghae Province.

In this the safety of the fishermen of the North side engaged in fishing around the islet was seriously threatened.

It was entirely thanks to the great patience and self-control of soldiers of the Korean People's Army that the artillery fire of the South Korean puppets did not expand into an armed conflict between the two sides.

This dangerous military provocation committed by the South Korean puppets in broad daylight was a premeditated act intended to drive the situation on the Korean peninsula to confrontation and war.

We cannot but take a serious view of the South Korean puppets' provocation because it was timed to coincide with their tenacious plots and war moves to stifle the DPRK, the bulwark of socialism, over its fictitious "nuclear issue", hand in glove with outside forces.

The Korean people and People's Army soldiers are sharply watching with heightened revolutionary vigilance the new war provocation moves of the U.S. imperialists and the South Korean puppets.

The U.S. imperialists and the South Korean puppets must refrain from rash acts, looking straight at the touch-and-go situation on the Korean peninsula caused by their continuous provocations for a new war.

If the South Korean puppets keep to the line of confrontation and war, defying our repeated warnings, those warmaniacs will be sternly punished.

## Radio Denounces 'War' Exercises in South Korea

*SK2402140894 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 23 Feb 94*

[Commentary by Yun Pyong-son: "War Frenzies of Civilian Warmongers"]

[Text] The U.S. imperialists and the South Korean puppets are more viciously maneuvering to provoke a new war as time goes by. According to reports, on 21 February, the U.S. imperialists flew an RC-135 strategic reconnaissance plane, stationed in a base in Okinawa, Japan, over the skies of Pochon, Yanggu, Kansong, and other areas of South Korea and conducted aerial photographing and electronic reconnaissance over the strategic depth and inland areas [chollyakchok chongsimjidaewa naeryukchidae] on the northern half of the Republic.

That night, puppet Army ground units based in Ha-ri and Wondang-ri of Yonchon County fired approximately 50 rounds of flare bombs into the skies, conducted a war exercise for northward aggression, and indulged in war frenzies. Also, puppet Army large-caliber artillery units and armed bandits which had been deployed in Nosang-ri in Paju County; Chungsa-ri in Yonchon County; and Chorwon-up in Chorwon County of South Korea incited a war atmosphere, firing hundreds of bullets and shells in the areas adjacent to the DMZ.

Also that day, the armed helicopters and transport helicopters of the puppet armed forces, which were deployed to the skies over Chongwon-ri in Paju County and Majon-ri of Yonchon County, frantically conducted an exercise to support and transport ground attack units. These war commotions by the U.S. imperialists and South Korean puppets are very ominous [simsangchi annun] movements that can take place only on the eve of war. They also clearly show how frantically the bastards are maneuvering to provoke a new war.

As everybody knows, all fellow countrymen in the North and South and abroad who pursue to achieve reunification in the nineties declared this year to be a year of great national unity and are making every effort to ease tension on the Korean peninsula and achieve national unity.

Peace-loving people from all strata of life in the world earnestly hope that tension will be eased and that a new phase will open for the fatherland's reunification this year. However, the South Korean puppets' policy of doing something about someone else by using military forces has not changed. Rather, they turn a blind eye to the fellow countrymen's earnest desire for peace and reunification, babble about someone else's armed provocations, and more frantically maneuver for arms buildup and northward invasion.

As a matter of fact, it is the South Korean puppets who attempt armed provocations on the Korean peninsula. Talking about preparations for actual warfare or preparations for quick reaction, they hold confabs to prepare the regular armed forces for combats and prepare the paramilitary forces for combat mobilization. They also accelerate the maneuvers to increase war budgets and bring Patriot missiles into South Korea, and plan to conduct the Team Spirit joint military exercise or any other large-scale military exercises.

As a matter of fact, even though it calls itself a civilian regime, the puppet Kim Yong-sam clique pursues confrontation and war more persistently than the previous military dictatorial regimes.

The war exercise commotions which the South Korean puppets are successively kicking up in the DMZ and in its vicinity are a deliberate provocation maneuver to further aggravate tension on the Korean peninsula and, thus, ignite a fuse to war. They are also a vicious challenge to the fellow countrymen's aspirations for peace and peaceful reunification and an unforgivable antinational, antireunification crime.

The puppet Kim Yong-sam clique is kicking up war commotions to pursue other purposes, as well. The Kim Yong-sam ring is denounced and condemned and in deep crisis, because of its antinational, treacherous opening of the rice markets; the dirty-water scandal, which erupted early this year; a large-scale fraudulence case, and a series of gang robberies.

The daily growing resistance and anger of the people, along with the struggle for independence, democracy, and reunification, are further driving the traitorous Kim Yong-sam group to a predicament. Therefore, the puppets are kicking up war commotions daily to suppress the people's growing struggle and resolve an aggravating crisis facing its rule. This is proven by the fact that by mobilizing the puppet armed forces in downtown Seoul, the Kim Yong-sam ring conducted an exercise involving the movement of armored personnel carriers and military vehicles of various other sorts, paraded troops [tobo haengjin], and fired blank shots at random.

However, the puppets' dirty plot to find an exit in beefing up their war maneuvers against their fellow countrymen and their fascist rule will never work. The youth and students and people from all other walks of life in South Korea are vigorously waging an antiwar struggle against the reckless maneuvers by the civilian warmongers to provoke a new war.

The war maneuvers by the puppet Kim Yong-sam clique which challenge the people's aspirations and earnest desire will arouse great anger from the people and hasten their destruction.

### CPRF Demands Abolition of South's Security Law

*SK2502122194 Pyongyang KCNA in English 1034 GMT 25 Feb 94*

[Text] Pyongyang, February 25 (KCNA)—"The South Korean puppets staged a trial on February 21, wielding the 'National Security Law' and cried that the North, though it is a 'dialogue partner,' is 'an anti-state organisation' in every respect. It is a mockery of and insult to the North," says the Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its Information No. 644 published Thursday.

It notes:

"As for the 'National Security Law' in which the South Korean puppets define the North as 'an anti-state organisation', it is an anti-national and anti-reunification fascist law which should have been thrown into the dust bin of history long ago.

"We cannot but take a serious view of the fact that the South Korean puppets made the rude remarks blatantly getting on our nerves when they were talking about the resumption of the North-South dialogue.

"Entirely attributable to the South Korean authorities' dishonest stance of dialogue is the grave situation in which the North-South agreement and the joint declaration on denuclearization have not been implemented and all dialogues between the North and South have been totally broken up.

"If the South Korean authorities truly want the improvement of the North-South relations and dialogue, they must change the confrontation policy into a reconciliation policy and abolish the fascist 'National Security Law' against the nation and reunification."

## South Korea

### Kim Yong-sam Holds 25 Feb News Conference

#### Delivers Opening Remarks

*SK2502005994 Seoul KBS-1 Television Network in Korean 0000 GMT 25 Feb 94*

[Opening remarks by ROK President Kim Yong-sam at a news conference on 25 February at the Chongwadae presidential residence on the first anniversary of his inauguration—live]

[Text] Dear fellow countrymen: Today is the first anniversary of my inauguration as president. On this date last year, our people established in this land the government of the people and by the people, to which they have ardently been aspiring.

As president, I eradicated irregularities and corruption that had been prevailing in this land.

I worked with all my heart for the recovery of the economy, which had fallen into a swamp of stagnation. I made every effort to establish the national discipline so that no one who used unjust means could have both power and honor. As president, I dedicated all my spirit and strength to push ahead with change and reform in this country.

Today our society is changing. The people's awareness of wealth and honor is also changing. Their awareness of a worthwhile human existence is expanding, and they are freeing themselves from the way of life of pursuing only material abundance.

The Chongwadae presidential offices have become closer to the people. The economy is recovering. The nation's position is being enhanced.

Clean and healthy energy is springing from the lowest stratum of society. We now have hope and confidence for the future. However, our reality is still far from the goal we have to achieve. You all know that the deep-rooted evils accumulated for over 30 years cannot be cleaned up in one day. Corruption accumulated for over 30 years is being exposed in various incidents and accidents.

We have a long way to go and many things to change. The past constitution and practice are holding us up. However, I will continue with change and reform bearing the historic burden entrusted to me. National competitiveness, which we set as the goal of this year's national administration, can only be achieved externally through opening and competition and internally through change and reform.

Dear fellow countrymen, I have already talked about the new year national administration policy in the New Year's news conference and I will only talk about a few points today.

First, it is deplorable that national understanding and consensus of internationalization is still not sufficiently achieved. A hundred years ago, we could not become internationalized by self-determination but were forced to open the country by external control. Therefore, we fell behind and were turned into a colony. In order for us not to repeat the mistake we made a hundred years ago in the first opening process, we have to spontaneously carry out the second opening through internationalization.

We have to learn from history. We should not deplore the door opening but should open the door ourselves and advance to the wide-open world. We have no reason to feel defeatism or persecution about the outside. I sincerely felt it last year through the Asia Pacific Economic Council summit meeting and my visit to the United States.

We have the vitality of a cultural nation that has lived on for 5,000 years. We have the potential to create miracles on the ruins of colonization and war. We are becoming more dominant in the world through the establishment of a civilian government and reform. Let us all be confident. There is nothing for us to envy. No one can block our nation's advance.

Second, we have to renew the officialdom. Some of our public officials who should lead the change and reform of our community are refraining from actions being preoccupied by an easy-going attitude and opportunism.

Change and reform of officialdom society has become a task that cannot be delayed any more. Overweight organizations and functions should be boldly reduced. Useless administrative regulations should be resolutely abolished.

We should turn administration from reigning over the people into providing service.

The administration field should also introduce the management concept of business, namely management with high efficiency at the least expense.

Third, the government will more powerfully push ahead to strengthen international competitiveness through economic revitalization. This does not mean ignorance of economic justice or balanced development. Prompted by the settlement of the Uruguay Round negotiations, the government has directed profound attention and energy to farmers and fishermen.

We will provide intense financial and systematic support in order to build rich farms and fishing villages. A new, creative farming movement to cope with the challenge of opening up started in the rural communities across the country. I consider this a very encouraging phenomenon.

I would like to make another appeal for management-labor harmony in order to realize an economic upsurge. Management should make all sincere efforts to make labor—a field of technological development and quality promotion—a working site full of vigor and excitement. Enterprises that cannot satisfy their employees, can neither produce goods that satisfy its customers, nor be successful. Workers should set the target of their labor movement on upgrading productivity and the standard of technology. The issue of wage increases cannot be the only goal of the labor movement. The labor movement should be consistent with national competitiveness.

The government will exert utmost efforts to stabilize price, to improve income distribution, and to expand social security. Only when the workers, the management and the government form a sound trinity, can our international competitiveness be upgraded drastically.

Fourth, today's civilian government is not yesterday's authoritarian government. It is a government with morality and legitimacy. The channels and methods for the people to present their political opinion have been sufficiently guaranteed. The time when illegal struggle was regarded as just has passed. I want to make clear that under a civilian government chosen by the people, lawlessness and violence will not be accepted under any pretext. It is the essential responsibility of the government to protect the people from violence and lawlessness.

Fifth, I will humbly accept constructive criticism and advice pertaining to the president and the government. Our government and I hope that the opposition party becomes a genuine partner in reform, by getting rid of the ruling-opposition party relations of discord and confrontation as seen in the past. We are looking forward to creative relations between the ruling and opposition parties which sincerely strive for and discuss the interests, justice, and the future of all of our communities. Those who cry for justice should be considered just persons by others. When talking about reforms, the person who has set examples in reform is persuasive.

What we want is the true reform partner and advice on reform from the true heart. What we urgently need is reform in the field of politics. As long as politics remain in the marsh of underdevelopment and nonefficiency, thereby hindering the development of other fields, we cannot maximize the strength of the country. We cannot advance forward. We cannot win the fierce international competition. I hope that clean and productive politics in its true sense will be restored in this land as soon as possible. I hope, with the people, that systematic reform for it will be made as soon as possible.

My dear fellow countrymen: Assuming office as president, I promised the people that I would devote all my powers to national reconciliation and reunification, fulfilling the mission entrusted to me by history and the nation. I have never for a moment forgotten this promise. In particular, I have been doing my best with patience for the peaceful resolution of the North Korean nuclear issue. In this connection, I think it a very fortunate development that North Korea agreed to permit nuclear inspection by the International Atomic Energy Agency.

The North Korean nuclear issue is not only a problem connected with the survival of the 70-million-strong nation but a stumbling block that could stand in the way of reunification for good. Therefore, the government has undergone again and again the conflicting anguish that we should maintain a resolute attitude but should avoid a situation of extremity [kukhan sanghwang].

I clearly declare here that if North Korea renounces nuclear development and selects the road of genuine dialogue between the North and the South I am ready to accelerate North-South joint economic development for North-South coexistence and coprosperity in the manufacturing, agricultural, construction, and energy fields.

My dear fellow countrymen: I thank you the people for your support and encouragement so that I may carry out my duty as president with flawlessly clean morality in view of history, the people, and my own conscience. In the future as well, I will devote myself to the country and the nation without selfishness, devoting all my wisdom and passion for it.

What has sustained me over my 30 years of struggle for democratization has been my trust in you, our great people. The people, together with me, were able to establish a government of civilian democracy in this land, so I, with the people, will solidify the foundation of a new Korea. This is my hope and my dream. A new Korea is my dream and a dream for all of us. The dream of the 70 million people will certainly be realized by the strength of the 70 million people.

A great history can only be made by the sweat, tears, and passion of the great people. I will work with perspiration to pioneer the glorious future of the fatherland, sharing joy and sorrow with the people, toward the new Korea and toward the world.

The energy of spring is rising up from deep in the earth in this land. On this day last year, we started anew with new resolutions. Today, we must open a new spring of pioneering national destiny. Spring is for the person who sets off in search of it. Let us all pioneer a new spring of national history.

Thank you.

## Answers Journalists' Questions

*SK2502031294 Seoul KBS-1 Television Network in Korean 0018 GMT 25 Feb 94*

[News conference by President Kim Yong-sam with foreign and domestic reporters on 25 February at the presidential residence, Chongwadae, on the occasion of the first anniversary of his inauguration—live ]

[Text] [Reporter Kim Chung-il from the KYONGHYANG SINMUN] The North Korean nuclear issue which, as you said, is closely related to the destiny of 70 million fellow countrymen has now been handed over to the talks between the United States and North Korea, let alone the issue of North-South dialogue. However, in view of the positions and attitudes of North Korea and the United States toward these negotiations, it seems very difficult to expect that the nuclear issue will be completely resolved at an early date. Are you ready to hold summit talks with North Korean President Kim Il-song in an effort to settle such a deadlock and to Koreanize the nuclear issue? Also, various reports and speculations regarding the North Korean issue have run rampant recently, and this has driven the people into confusion. So, Mr. President, please make public before the people, if possible, any intelligence concerning North Korea's nuclear development.

[Kim Yong-sam] Thank you. Regarding the North Korean nuclear issue, I received reports even until right before I came to this news conference room. I mean I received reports from the United States on the U.S.-North Korean contact which is now being held there. The U.S.-North Korean contact which was scheduled to be held this morning has been delayed. In the relations between the ROK and the United States I can clearly say that the ROK and U.S. Governments have maintained and are maintaining closer and friendlier relations more than ever before. The two governments are fully consulting with each other on all issues under the pricinciple of mutual respect. Regarding the North Korean nuclear issue, in particular, the United States has fully consulted with the ROK in advance and sometimes in the course of its negotiations with North Korea. So, the two countries have made full discussions and consultation before and after the United States held negotiations with North Korea. Therefore, there is no case where our sovereignty is ignored or anything like that. In other words, I can clearly say that our opinions have been reflected.

Let me mention something about nuclear intelligence. As you know, as the president I hear and receive much intelligence from various channels at home and abroad. Summing up numerous intelligence reports we have received so far we have been unable to find clear evidence that North Korea has nuclear weapons. We cannot clearly say that North Korea has nuclear weapons. Another clear fact is that North Korea has continuously pushed ahead with nuclear development without renouncing it and without delaying it. This is also a clear fact.

By the way, although no agreement was reached until this morning, North Korea is destined to accept the International Atomic Energy Agency's [IAEA] inspections, and North-South dialogue and exchange of special envoys will be realized after all.

On the question on summit talks with President Kim Il-song, I will push ahead with holding summit talks with President Kim Il-song only when holding the talks is considered to be conducive to making North Korea renounce its nuclear development.

[KBS reporter Kim Hong] You said that you will hold summit talks with President Kim Il-song when it is judged to be of help in restraining the nuclear issue. Does that mean that South-North summit talks can be held with the exchange of envoys of the South and North in addition to the contacts that have been held heretofore, even before the nuclear transparency is guaranteed?

[President Kim] Yes. Originally, the North Korean side proposed the exchange of envoys of the South and North. The exchange of envoys was a precondition to holding summit talks. Therefore, the exchange of envoys itself is part of holding summit talks.

[KYONGHYANG SINMUN reporter Kim Chung-il] The proposal for summit talks is an epoch-making proposal that may even be said to be a change in our policy toward North Korea. Was there special background to this matter? Also, how do you view the timing of summit talks against the backdrop of proposing the South-North summit talks?

[President Kim] I believe that you all know of the tug-of-war that was carried out during the past year to resolve the nuclear issue. However, the most important duty for me as president is to defend the country, protect the people, and to protect the 70 million people of the Korean peninsula from war. Therefore, one of my important goals was to prevent nuclear development at all costs. At the same time, I was of the strong will that a war must not break out on the Korean peninsula. This is a very difficult issue. Therefore, there are aspects that need to be strongly pushed ahead as well as other aspects that we need to strategically withdraw on. I believe that the most important duty of the president is to allow the people to live in security. Therefore, we must prevent North Korea's nuclear development for strategic reasons. This must be achieved not only for peace on the Korean peninsula but also for peace in Northeast Asia and the rest of the world. It is also necessary for South-North co-existence and prosperity. I have deeply contemplated over this matter from various aspects.

[HANGUK ILBO reporter Choe Kyu-sik] Can your remark on the South-North summit be explained as acceptance of the proposal made by President Kim Il-song last year? Also, the South-North summit talks brought up by President Kim Il-song is centered on the reunification issue. Do you plan to include economic cooperation and your three-stage reunification plan in addition to the nuclear issue in the discussion?

[President Kim] If summit talks are held, we cannot just talk about one issue. All issues as well as the nuclear issue will be discussed. I believe that a deep exchange of opinions on all issues including the issue of economic cooperation and reunification can be held for South-North co-existence and prosperity.

[CHUNGANG ILBO reporter Kim Hyon-il] You said that there have been sufficient consultations between the ROK and the United States on all issues. However, there have been various rumors as to the deployment of Patriot missiles, which are defensive weapons. Will you please tell us about the reason of such rumors? You also said that if the North Korean nuclear issue is resolved, the Team Spirit exercise will be suspended. Please tell us whether there will be no problem in our security posture even in time of emergency, if the exercise is suspended.

[President Kim] Some press organs have publicized this issue in various forms. However, there are many incorrect reports. Some papers even reported that the ROK wants to receive Patriot missiles. However, we have never asked them. I want to clarify at this point that the ROK has no plan to purchase Patriot missiles.

The ROK and the United States have been conducting close consultations on this issue, including the time of introduction. As you know, Patriot missiles are not offensive. They are totally purely defensive. Therefore, this is not an issue to which one, including North Korea, should pay sensitive attention. I believe, however, that the issue should be decided from the political point of view, instead of the military aspect. Thus, discussions are ongoing on this issue. I think there will be no great problem pertaining to this, because the United States fully respects our sovereignty. Unlike the past, cooperation is being attained 100 percent.

As for the issue of the Team Spirit exercise, we conducted the exercise every year in the past. However, we are tentatively withholding it in order to make North Korea accept IAEA inspections and to hold sincere North-South dialogue. Therefore, in the event that all these conditions are met, the ROK Government will announce the suspension of the exercise. The suspension will be announced on certain conditions. We do not mean complete suspension. Only when everything is met, the exercise will be suspended completely.

We can conduct the Team Spirit exercise at any time we want. As the exercise usually begins in March, a considerable amount of troops and weapons should have already departed from the U.S. mainland if the exercise is to be conducted. However, it is being withheld tentatively, not being suspended forever. We will start it again if the conditions are not met. Therefore, even if we announce the suspension, there will be no problem in the defense of the ROK.

[MBC reporter Cho Chong-min] I would like to ask a few political questions. A survey revealed that the degree of support for the president, which reached 90 percent after your inauguration, recently declined to 60 percent. This means that the critical view is increasing, although the figure of 60 percent itself is enormous. What reason do you see for this? In particular, some people observe that those who were your supporters from the past are leaving your (?camp). How do you assess all of this?

[President Kim] I thank you the people for your continuous over 90 percent support for me since my inauguration. It's amazing that one could get over 90 percent support from the people. The support was so dazzling that I felt an enormous burden and pressure. I felt it somewhat abnormal. I thought it should be lower than that. There should be a certain degree of opposition in a democratic society. Now, therefore, it is returning to normalcy. I, therefore, feel gratified for it. I think I can work with a sense of relief now. The decisive contributing factors to the dwindling of my popularity were the major accidents, the contamination of drinking water from the Naktong River—which have in fact been the result of undesirable practices over the past 30 years—and particularly the recent hike in the cost of living, in which the people are concerned about most.

What I would like to say to your question is that, since I am not going to run for the presidency four years from now and since my convictions do not allow me to do anything for the sake of winning temporary popularity, if I think something is right and is necessary for the people, I will not hesitate to do it. This is what I have done in the past as well. As for the real name financial transaction system, for instance, it was far from a policy of attracting popularity. Many around me then advised me against the real name financial transaction system, on the ground that it should be instituted after the recovery of our then slack economy. I turned down the idea because it would postpone the system indefinitely, perhaps for good. I stressed that we should do it for the sake of economic justice. We should do it to justify wealth. We should institute the real name financial transaction system, the key point of reform. We should not postpone the system until the economy recovers, to win the people's popularity. Thus, we implemented the system.

The term of the U.S. President is four years. Although one can remain in the office for a second term, there were quite a few presidents who did not serve a second term. For instance, President Bush and President Carter. Today, I begin the second year of my office as if I were making a new start. I will not do anything to seek temporary public popularity. If I think it beneficial to our country and people, I will not shrink from doing it.

[TONG-A ILBO reporter Song Yong-on] I will ask you a question on reform as a whole. Despite the sweeping audit and inspection activities for the last year and despite the general reform you have conducted for society as a whole, the people do not feel tangible effects of reform in such areas as the cost of living, environment, and transportation. Some also noted the lack of the general program for reform. Please give us a general outline of the program for reform for the next four years of your term, giving us the priority list and the method of reform.

[President Kim] Many references are made to the lack of a program, civilian dictatorship, and one-man rule. I much doubt the credibility of such references. During the era of military dictatorship, dictatorship was enforced. The government of civilian democracy is the government given birth to by the people. It is literally the government of civilian democracy. Under a president-centered government, the president takes the responsibility and leads the state. The president is the person who takes the supreme responsibility for managing the state. He is responsible for leading the state. If anyone says this is civilian dictatorship and uses the description One-Man Politics, I can hardly understand it. Does he mean that we should return to dictatorship under which we were in the past? I hope that you will make efforts to help the people properly appreciate matters related to this question.

As for the issue of the rise in the cost of living, I am very sorry that there was such an increase. The government will concentrate its efforts to check the increase in the cost of living. An important reason for the increase in the cost of living was that the cold weather last year caused an increase in farm produce prices. That has had a lot to do with the present situation connected with the hike in the cost of living.

As you well know, some increase in prices is a common sight in January every year. I think it is very difficult to assess a price increase in one full year based on the price increase in such a short period of time, that is, January. So, our government is making every possible effort to prevent price increases. However, what is important here is the people's cooperation with the government's efforts. In other words, the people should not perpetrate the practice of cornering goods or being indisposed to sell goods. Early in January a phenomenon of excessive spending was seen among the citizens. We can say such a phenomenon is an act of hoarding goods and being indisposed to sell goods. Therefore, if our people are to worry about an increase in prices they should join the government's efforts in settling the price problem. I urge our people's cooperation in settling the price problem.

In dealing with economic matters, I think that we should set priority according to the degree of importance. In connection with the Uruguay Round issue, in addition to 42 trillion won annually, the government plans to invest 1.5 trillion won each year in the structural improvement project for our rural villages by establishing special purpose taxes. At the same time, the Agricultural Development Committee has been formed. So, we will see to it that this committee will study in detail how to use these funds for rural villages. Of course, in the rural improvement project, too, we will set priority.

[TONG-A ILBO reporter Song Yong-ho] I will use the term one-man rule in the form of a different expression because I know you dislike that term. During the past year you have directly and personally dealt with everything, and as a result, the word of politics devoid of power was spreading among the people. What do you say on this? What is your plan, if any, for the revitalization of politics? In your opening remarks you stressed the need for creative relations between the government ruling party and the opposition party. You also urged the opposition party to become a sincere partner for reforms. For this end, do you think it necessary to hold talks between the leaders of the ruling and opposition parties?

[President Kim] It has been one year since I was inaugurated. However, I told you that this one year seems to be 10 years for me. I come to my office in Chongwadae between 0720 and 0740 every morning. That is when my work begins. My work varies greatly. There are many, many things for which I as the president should be responsible. This situation has made it inevitable for me to directly and personally deal with everything. However, I did these things according to my conscience. As you know, right after my inauguration I declared that I will never receive money, not even a coin, from anyone in five years while staying in the presidency. I will keep this promise. While staying in the presidency I will never be involved in any concessions. My faith is that I should become a clean and morally dignified president. By becoming so, I think, I can dignifiedly ask and appeal to the people to do for the country. This is why I have such faith.

I have mentioned many times the need for clean politics and for the revitalization of politics. Spending money for politics is a bad thing and should be done away with thoroughly. A genuine democracy cannot be expected in those countries where people spend money in politics. Only when clean elections are conducted can genuine democracy be enforced. I would not point out the name of a specific country which has been known to spend much money in elections. Those countries which spend money in politics are corrupt countries. This finally leads to dictatorship. It also leads the people to ruin. So, politics should be clean, and elections should be clean.

On the issue of our political party, the Democratic Liberal Party, I have already handed all and absolute power over party management affairs and other affairs regarding the National Assembly within our party over to Kim Chong-pil, chairman of the party. I have transferred all powers over to Chairman Kim Chong-pil. I will not meddle in the management affairs of the National Assembly. So, Chairman Kim Chong-pil has been operating our party with all authority.

Speaking of the matter on meeting the representative of the opposition party, I think we can meet any time, if necessary.

[Reporter Ed Paisley for FAR EASTERN ECONOMIC REVIEW in English] I would like to ask you questions about the government's privatization program. You have an ambitious schedule of selling all state-owned companies. Will the Federation of Korea Industries be involved in this process as they are now in telecommunications industry privatization or will the (?industries) be excluded from the process, leaving the decision-making in the hands of some self-interested bureaucrats?

[President Kim] Our government will decide on the privatization plan. I think the operation of state-run enterprises in our country may have been loose or faulty in the past. Therefore, I plan to actively push the privatization program. You asked about the issue of the second mobile telecommunications corporation. I see many Japanese reporters here. For example in Japan, this issue was not handled by the government but autonomously by the National Federation of Japanese Business Corporations. Believing this method to be very desirable, our government plans to remain detached from this issue and to leave the decisionmaking in the hands of the Federation of Korea Industries.

[Reporter Kim Chang-ki for CHOSON ILBO] In your opening remarks earlier, you pointed out that political reform is most urgent, and in fact, many people sympathize with this. Reform of the system is also important to political reform. However, many people emphasize that people must be replaced first of all. Will you tell us of your plans, if any, to foster a new political generation for political reform, as well as your plans on the succession structure [hugye kudo]? The issue of reorganizing political circles and of revising the Constitution to institute a cabinet system has recently been raised among the people. I would appreciate hearing your opinion on these issues.

[President Kim] You have asked several questions at once. People are key to all work. Through lessons learnt from history, we know that the history of a nation can change according to who becomes the leader of that country. World history shows that a nation's history changed according to who its leader became. Therefore, the issue of the leadership of a nation, which includes assemblymen, dominates all problems. Because the previous era of dictatorship lasted so long in our country, various improper customs and practices of the people were propagated. Values have now changed. I hope that more reform-oriented, progressive figures who can dedicate themselves to the nation will come forward in political circles.

I was asked some time ago about the succession structure, but I am being asked again today. One year has passed since I came to office, and four years, the length of a president's term in office in the United States, still remains. If one were to think about one's successor only one year into one's term with four years remaining, that person would be considered strange indeed. It is a little too early to bring this issue up. Allow me plenty of time to think over this issue.

Currently I am not considering political realignment at all. This is not a matter which can be solved artificially. Also, I believe that the parliamentary government system is not at all appropriate in our country's situation. If our country carries out a responsible parliamentary system, it will only result in misfortune in a situation in which our country is already divided. I believe that this system is of absolutely no value to us. I'll be frank with you. When I met Hosokawa in Kyongju and at the Asia-Pacific Economic Cooperation conference, he said to me that he earnestly felt a president-centered system to be favorable in politics.

[YONHAP reporter Kim Song-su] I would like to ask you two questions regarding the election of chiefs of regional autonomous bodies. The 1995 election of chiefs of regional autonomous bodies can be regarded as an important election that will prove the success or failure of political reform. Nevertheless, there is already concern regarding elements of corruption in regions on the issue of candidates. Do you have a measure to deal with such corruption? Also, in connection with the election of chiefs of regional autonomous bodies, is there a more desirable way to restructure the administrative district and regulate the government structure?

[President Kim] I think the most important aspect in the election of chiefs of regional autonomous bodies is to carry out clean elections. Only then can the chiefs of regional autonomous bodies sincerely and honestly work for that region. I will mobilize all of our administrative power to strictly punish those carrying out illegal elections. I would like to say that confidential inquiries are being made on rumors that candidates are carrying out corrupt acts. The issue of restructuring the administrative district is an issue to be decided upon at the National Assembly. I hope that political circles will deal with this matter in a just way and in accordance with the people's interest.

[SEOUL SINMUN reporter Kim Yong-man] I would like to ask you a question on the economy. As you noted, many people are worried about price instability. The government's policy on price control is moving from indirect regulation to direct regulation. What is the government's policy on prices and can this year's inflation be kept at six percent? What is your view on this?

[President Kim] I talked about the price issue a short while ago. The government regards the price issue as its most important task. We are making utmost efforts. I mentioned that the people's decisive cooperation is necessary. Related to this, certain people are talking about the issue of carrying out tax investigations. Tax investigations are carried out on businesses that unjustly raise prices. Such tax investigations are not illegal, and must be carried out. Also, public utility charges of those that were inevitable were raised. We will continue to work to control various matters that stimulate price increases such as the rise in public utility charges. The rise in public utility charges will be absorbed through rationalization of management. The government will exert efforts regarding this matter but we also need the people's voluntary cooperation.

[SBS reporter Chon Yong-hak] You talked about measures for price stability. You said that tax investigations will be carried out on unjustly raised prices. However, measures that are being taken resemble those of the past which contradict overall economic liberalization. What is your view on this matter? Late last year you said you would reduce land prices, interest rates, and wages and work to revitalize the economy. However, recent trends indicate that these prices are also on the rise. What is the reason for this? Also, do you have any measures for this?

[President Kim] I think that the issue of price stability is of great interest. As I said before, I apologize to the people once again regarding this matter. I had expressed a strong will to be absolutely intolerant of unearned income [pullosotuk] and increasing land prices. I believe that the three elements [land prices, interest rates, and wages] were kept considerably under control last year and expect that to be the case this year also. I will take strict measures regarding this matter.

Also, workers have shown a tendency to restrain themselves in demanding wage increases. We must cooperate at this important time when we must improve the nation's competitive edge. I have met numerous workers and talked with them over lunch many times. I have visited many small- and medium-size business corporations, though I have visited a few big ones, as well. Officials in those small and medium-size corporations have told me what difficulties they are facing. During my recent regional tours, I have witnessed many changes that the small- and medium-size corporations are undergoing.

I have always thought that small- and medium-size corporations form the foundation of our economy. They play a very important role in our economy. They employ over 50 percent of our workers.

Some people say the government has been negligent in assisting small- and medium-size corporations. This is not correct. Last year, we completely froze the wages of government officials. I am very sorry for the government officials and their families. The government assisted small- and medium-size corporations with 1.3 trillion won, a portion of the funds saved by the wage freeze.

When the government heard that they were facing very serious difficulties because of the implementation of the real-name financial transaction system, it assisted them with another 2.2 trillion won. No other regime has given such a massive monetary assistance to small- and medium-size corporations.

As a result, small- and medium-size corporations have become very active, and many companies have declared that this year will be the first year of labor-management harmony. I am very pleased to see many companies where management and workers are working in a family-like atmosphere.

[Steven Glenn of THE WALL STREET JOURNAL in English] Thank you, Mr. President. I am Steven Glenn of THE WALL STREET JOURNAL. You have made internationalization a prominent theme of your administration in your speech this morning. As you know, that means Korea will have to open its markets to foreign competitors, goods, and services. That could create some business failures here and rising employment. And, I am wondering if you are willing to accept short-term sacrifices for long-term benefits of internationalization. I would also like to ask you if labor relations this year do not proceed as smoothly as you would like, would you be willing to reform the labor code?

[President Kim] Globalization and internationalization constitute a trend that we cannot reserve. All countries of the world are moving in this direction. And, I think this is a road we must move along without fail. And, we are at an important point at which we must win victory without fail on this road.

The point is: Even though our markets have been opened, markets of other countries have opened even wider. Winning through competition in these widely open markets is the only way for us to survive. We must win in the competition by manufacturing the best-quality goods in the world. Given our people's potential and ability, I am confident we can win. Having confidence is the most important thing. Being confident in what we can do is the most important, I think. Having a dream is also very important. I think we can win in worldwide competition. I think both long-term and short-term prospects are not grim.

As for labor-management relations, because both businessmen and workers firmly believe they must win in this difficult era of international competition, they declared this year would the first year of labor-management harmony, while restraining themselves, seeking common interests, and seeking national interests. I hope labor-management relations will go smoothly this year. I do not plan to reform the labor code for now.

[KUNGMIN ILBO reporter Kim Song-chin] Just now, you mentioned internationalization. Therefore, I would like to ask you about two matters regarding the Uruguay Round negotiations. First, what measures will the government take against the possible strong pressure by the advanced countries, including the United States, to open the banking and service markets, in addition to the agricultural field? Second, now the National Assembly must ratify the Uruguay Round negotiations: How do you persuade the opposition parties or farmers' organizations to support it? If you have any plans, will you please tell us about them?

[President Kim] You used the term pressure of opening. This does not mean that we will give in to other countries' pressure. We will decide on a policy to meet the interest of our nation. I believe that we will never give in to pressure. It is unthinkable. Our country's position is very firm. It is not the position of our country to give in to pressure. We could not but to decide, however, if we were to become an isolated state or compete with other countries in the international arena. During the Uruguay negotiations, we had to consider the national interest. I hope you can understand it.

Furthermore, I have been to rural communities on many occasions. I found that there were many changes in farmers' position. They have greatly changed. Of course, farmers must change on their own. It is an indispensable global trend to adopt the so-called Uruguay Round negotiations. Therefore, we must survive, at any cost, in the international arena by raising competitiveness. In this respect, we must change our thought. As mentioned earlier, we will provide support to rural communities by establishing a special tax bill to save 1.5 trillion won per year. By forming the agricultural development [nongbalwi] committee, the government will make every effort to provide support to rural communities based on the idea that to save the rural communities is to save the country. I believe that our farmers have a considerable understanding of this and have changed on their own everyday. In this respect, I think, it is very fortunate.

[SANKEI SHIMBUM reporter Kuroda] Thank you. I have two questions for you. You have strongly stressed internationalization. However, there is an argument regarding the introduction of the Japanese culture. What do you think of it, upon your upcoming visit to Japan? First, do you think that Japan must be excluded from the internationalization of your country? Second, the ROK papers reported that North Korean loggers escaped from a lumber camp in Russia, and that they have asked the ROK Government for asylum. However, your government refused it. What do you think of it?

[President Kim] Thank you. In moving forward the internationalization, as I mentioned earlier, it is our position that we will open all markets. There may be problems in opening the markets. I believe that it is right to open the market. However, we must carefully consider the method and time of the opening. As you talked about my upcoming visit to Japan, I will visit Japan and China next month. Of course, needless to say that our relations with the United States are very important, but, at the same time, our relations with the three countries, such as Japan, China, and Russia—which are neighboring countries—are very important as well. I believe that it is very significant for me to visit the two countries, Japan and China. Not only for the common interest between the ROK and the two countries, but also for the settlement of the nuclear issue, economic cooperation with them, and the cooperation between their people—in particular, Japan and China are members of the APEC [Asia-Pacific Economic Cooperation]—my upcoming visit to the two countries is very significant.

Regarding your last question on the North Korean workers' request for asylum, I have received the detailed reports. As of present, a great number of people are engaged in lumber cutting work in Russia. It is true that North Korea have sent many people there. Many of them have visited our country's embassy or consulate in Russia and asked for asylum. The number of people who asked for asylum is tremendous. However, the majority of them do not have passports. In order words, they are stateless. This is strange. We may think that they are Koreans because they speak the Korean language. It is very easy and simple for us to accept their asylum if they ask for it directly from North Korea. In this case, we can easily decide on it. Because they have asked for asylum from other country's territory, the so-called Russia, there are many international problems. Therefore, we must consider those international issues in the light of international law. However, we are basically carefully and positively dealing with them in the light of humaneness and human rights.

[Kim Ki-ung from HANGUK KYONGJE SINMUN] Mr. President, since being sworn in, you have paid particular attention to economic affairs. Every time such serious problems as the opening of the rice markets, the shortages of the social overhead capital, and the contamination of portable water arose, you said solving those problems would be the top priorities in state affairs. Some people wonder whether these problems can be solved at a time no budget is appropriated for solving those problems. Would you comment on this? Also, many people point out some government ministries announce new policies without coordinating views with other pertinent ministries. Would you comment on this, as well?

[President Kim] Each project is being carried out depending on its priority. We have established a special tax for solving the rice problem. We have also proposed a bill on inducing private capital. As for the social overhead capital, we will decide on which infrastructural problem should be solved first and which should be later. The water problem and the agricultural problem must be solved on a priority basis. I again say people will help the government solve these problems.

[Yun Chang-chung of SEGYE ILBO] I will ask you a question on your philosophy on operating the national economy. In the early days of your presidency, you repeatedly stressed the spirit of sharing pains. However, you have recently given us the impression that you attach importance to big businesses. What is your genuine philosophy on operating the national economy? Seeing the economy not improving, some people say the efforts to share pains have reached their limit. They also criticize the government for not presenting concrete goals, for example, the goal of national economic growth. Would you comment on this?

[President Kim] I think I have answered a similar question. I have stated I attach importance to small- and medium-size corporations. I have also stated how much the government assisted them. My government has attached the greatest importance to small- and medium-size corporations. I have met more workers than any other president. I have had lunch with them and talked with them wherever I have gone. I think you cannot stress too much the importance of small- and medium-size corporations. I hope you understand this.

Why do we not have goals? We are going toward the set goals. The goal of economic growth for this year is 6 percent. The notion that there is no philosophy on operating the national economy is not correct. We will make every effort to fulfill those set goals.

[Andrew Steele of REUTER, in English] Mr. President: We have heard many times now the government's plans for liberalizing the economic markets. But, recent events have shown that the government has, in fact, been intervening heavily in the economy. I mention two factors here: price controls and the recent measures to cool the stock exchange, which has, in fact, infuriated a lot of foreign investors who are barred even further from getting into the Korean markets. Why is the government saying one thing about liberalization when, in fact, it continues to intervene heavily. Thank you?

[President Kim] As for the market opening, we are planning to open everything to ensure that foreigners think Korea is the best place to do business. I think providing conditions to ensure that foreigners invest in Korea without anxiety is very important.

The government facilitates utmost autonomy in all sectors. I think the notion that the government heavily intervenes in everything is a misunderstanding.

Some people tend to suspect that if anything happens, the government must have done something. Those days have passed. I hope there is no misunderstanding on this matter.

[Shinogawa of MAINICHI SHIMBUN] During your news conference held at the beginning of this year, you said signs of peace were visible in North Korea. What has happened to those signs of peace? And, what do you mean by signs of peace?

[President Kim] Though I have much information on this, I think it is not good to tell you about it here. As you know, changes are taking place in North Korea, are they not? North Korea, which had stated it would never receive inspections from the IAEA, notified the IAEA and the United States that it would receive inspections from the IAEA and issue visas in a few days. This was unimaginable last year. I once said North Korea would change. I think this [acceptance of nuclear inspection] in itself is a great change.

[Han Myon-taek of the Christian Broadcasting System] My question concerns educational reform. The Education Ministry and the Educational Reform Committee will map out reform plans. What is your basic plan on the high school and college entrance examination systems, foreign language education, and other matters?

[President Kim] I think education is the most important in our society. I know the quality of education determines the destiny of a country. I realized this upon reading a book written by Paul Kennedy. Someone says Korea owes its current prosperity to education.

There are daunting problems in education not only in Korea but also in the advanced countries in the world. We have reporters here from Japan and the United States. The United States has very difficult problems in education. Japan is no different.

Because educational reform is very important, it took almost one year to form the Education Reform Committee. Education is not a matter on which decisions can be made quickly. It takes much time to decide on educational reform. I think we must examine various factors to map out far-reaching plans. I have my own ideas. I will fully discuss this matter with the newly established Educational Reform Committee and the education minister. We will make decisions on how to reform education to ensure that our country survives.

[Unidentified reporter] You will soon visit China. Telephone exchange systems, automobiles, and aviation are matters of concern between the two countries. Would you tell us if it is possible to reach any agreement on these matters? People say the Chinese leader should visit our country this time because President No Tae-u visited China the last time. What do you think of this?

[President Kim] I and the Chinese leader met during the APEC summit talks and discussed telephone exchange systems and aviation. It is not correct to mention these issues now. As for protocol, I think you should know which leader should visit the other is not that important of a matter. Since the two countries established diplomatic relations, the Chinese head of state had never sent a letter, for example, a letter of invitation, to the ROK. This time, China sent an official letter of invitation for me to visit China. China invited me to visit China as a state guest. During a news conference held early this year, I told people that I would go anywhere in the world as a salesman if it is beneficial to our state and people. I will go anywhere if it is beneficial to our country.

As I told you before, now is a very important time, I think. Therefore, visiting Japan and China in the era of the Pacific basin is very significant. Thank you.

### Officials Clarify Summit Proposal

*SK2502112294 Seoul YONHAP in English 1110 GMT 25 Feb 94*

[Text] Seoul, Feb. 25 (YONHAP)—President Kim Yong-sam's remarks on the promotion of an inter-Korean summit, made in his press conference on Friday, embodied the president's positive intent of resolving the nuclear question by all means, a ranking Chongwadae [presidential offices] official said.

Chong Chong-uk, senior presidential secretary for foreign affairs and national security, said President Kim meant to say he could promote a summit meeting if a summit is determined to be helpful to the resolution of nuclear and other inter-Korean issues. "We therefore expect that if and when the exchange of special envoys are realized, they would have talks so that the nuclear and other pending questions could be successfully taken up at a summit meeting," Chong said.

Another senior Chongwadae official said chances for the realization of a summit would depend on overall conditions such as the progress of U.S.-North Korea talks and the exchange of special envoys between the two sides of Korea. He stressed that President Kim's proposal for a summit does not run logically counter to the government's policy toward North Korea. "A summit was proposed with emphasis on the resolution of the nuclear question. But, once a summit meeting takes place, it could discuss overall issues pending between the two sides," he said.

## Further on U.S.-DPRK Talks on Nuclear Issue

### Sides Said To Reach Compromise

*SK2402133794 Seoul KBS-1 Television Network in Korean 1233 GMT 24 Feb 94*

[By Mun Chae-chol from Washington]

[Text] North Korea has agreed to resume the North-South dialogue at the same time nuclear inspections begin, and, as a result, it is expected that the North and South will be able to exchange special envoys soon.

In the working-level contact which continued for the second day in New York this morning, Korean time, the United States and North Korea reportedly have virtually finished drafting the letter of agreement which contains the four principles: The International Atomic Energy Agency will start nuclear inspections on 1 March; at the same time, the discontinuation of the Team Spirit exercise for this year will be announced; North-South dialogue for the exchange of special envoys will start; and the third round of U.S.-North Korea high-level talks will resume next month.

In drafting the agreement, the United States and North Korea had different views on the timing of the North-South exchange of special envoys and on the third round of U.S.-North Korea high-level talks. However, North Korea agreed that it would affirmatively examine the North-South contact for the exchange of special envoys in case South Korea so proposes. As a result, a compromise was reached.

The United States agreed that the third round of U.S.-North Korea high-level talks would be held late March on the condition that North Korea resumes the North-South dialogue.

If North Korea obtains approval for the agreement with the United States from the Pyongyang authorities, the sides are expected to exchange the final letter of agreement at the third-day working-level contact which will open late this evening Korean time. However, Washington and New York sources have said that the sides would not release a joint communique because their meeting is a working-level contact.

### North Koreans Fail To Appear

*SK2502082094 Seoul YONHAP in English 0618 GMT 25 Feb 94*

[Text] Washington, Feb. 25 (YONHAP)—North Korean officials failed to appear at the negotiating table with their U.S. counterparts on Thursday in New York, prompting the Americans to return to Washington in the evening. The U.S. officials' departure may cause a delay in nuclear inspections of North Korean facilities.

The American officials, led by Deputy Assistant Secretary of State for East Asia and Pacific Affairs Tom Hubbard, were to meet with North Korean officials, headed by Deputy Chief of the North Korean mission to the United Nations Ho Chong, Thursday for the third consecutive day. The two sides were to discuss follow-up measures after Pyongyang permits nuclear inspections on March 1.

A spokesman for the State Department said the U.S. officials, who waited all day at the negotiating table, were back in Washington and the U.S. side currently has no plans to meet again with North Korea. Upon returning to Washington, the U.S. negotiators expressed disappointment that North Korea is not ready to accept nuclear inspections by the International Atomic Energy Agency next week, the spokesman said.

Diplomatic sources here said the North Korean officials failed to show up because they had not received instructions from Pyongyang, adding that if the North Koreans want to hold another meeting, even on Friday, it will likely take place. The issue of the Koreas' exchanging special envoys is reportedly hampering negotiations between the United States and North Korea. Under a prior agreement with Seoul, the U.S. side has said that in order to hold a third round of high-level talks between Washington and Pyongyang, the North should accept an exchange of special envoys with the South, a condition that North Korean officials have strongly rejected.

### Interview With DPRK Delegate Cited

*SK2502061494 Seoul KBS-1 Radio Network in Korean 0515 GMT 25 Feb 94*

[Text] The working-level contacts, which were held one after another in New York between the United States and North Korea surrounding the issue of the entry of the International Atomic Energy Agency [IAEA] inspection team, faced difficulties [nangwane pongchakhada], including the abrupt return of the U.S. delegation to Washington amid attempts of the two sides to shift the responsibility onto each other.

Correspondent Nam Son-yong reports from New York.

[Begin Nam recording] Thomas Hubbard, U.S. deputy assistant secretary for East Asian-Pacific affairs who is a working delegate from the U.S. side, said that he was disappointed by the fact that North Korea did not agree on the date of inspection, and suddenly returned to Washington this morning Korean time.

Noting that he was returning to Washington because there was no reply from North Korean authorities to the proposal by the U.S. side, delegate Hubbard said that he has no plan at present to meet the North Korean delegation.

In particular, Deputy Assistant Secretary Hubbard warned that if nuclear inspection is not conducted at an early date, the IAEA Board of Governors will review the next steps against North Korea within next week. He stressed that all responsibility rests on the North Korean side.

In a telephone conversation with KBS a reporter, Han Sung-yol, councilor and delegate of the North Korean side, said that because the U.S. side put forward the resumption of North-South dialogue as a precondition even after North Korea decided to accept the IAEA inspection, the step to issue visas has not been taken. He then claimed that all responsibility rests on the U.S. side, thus suggesting that the issue of resuming North-South dialogue has emerged as the core issue in the working-level contact.

However, a reliable source said that the North Korean side has not received the instruction from Pyongyang on adjusting the date after the meeting took a recess, and is now waiting for the instruction. As soon as the North Korean side receives the instruction, it will hold a working contact tomorrow. Thus, there is a possibility that the two sides may reach a basic agreement on issuing visas, on the third round of U.S.-North Korea high-level talks, and on North-South working contact for the exchange of special envoys. [end recording]

## Han: 'Uncertainty' Clouds DPRK Nuclear Issue

*SK2502065894 Seoul YONHAP in English 0606 GMT 25 Feb 94*

[Text] Seoul, Feb. 25 (YONHAP)—Foreign Minister Han Sung-chu said Friday that uncertainty clouds the North Korean nuclear issue because Pyongyang has yet to follow up on its decision to permit nuclear inspections last week.

Han told the National Assembly Committee for Foreign Affairs and Unification that North Korea's acceptance of International Atomic energy agency (IAEA) inspections provided the world with an opportunity to continue efforts to solve the problem through dialogue. However, he said, if North Korea does not issue visas to IAEA inspectors soon, the IAEA will inevitably have to take strong steps.

"North Korea is delaying the issuance of visas, linking the start of IAEA inspection of North Korean nuclear sites to the third round of high-level talks with the United States," Han said.

The foreign minister told lawmakers that North Korea and the United States met Tuesday and Wednesday after holding a contact on Feb. 15, the day that North Korea announced its acceptance of nuclear inspections, to arrive at some kind of understanding.

Han said: "At the recent contacts, Washington told Pyongyang that the IAEA nuclear inspections should be completed satisfactorily and that suspension of 'Team Spirit,' the South Korean-U.S. joint military exercise, should be realized only after an exchange of special envoys between South and North Korea. Only then, U.S. officials stressed, can North Korea and the United States hold the third round of high-level talks. But North Korea is insisting that the third round of high-level talks be held at an early date."

Once Pyongyang and Washington meet for the third round, inter- Korean dialogue on pending issues including denuclearization of the Korean peninsula can start. In addition, consultations between the IAEA and North Korea on instituting full nuclear safeguards can move forward. He emphasized that to solve completely the nuclear problem, IAEA inspection of Pyongyang's two undeclared nuclear sites and mutual inspections by South and North Korea should be carried out.

"If it is disclosed that North Korea diverted nuclear material for other than peaceful purposes as a result of the IAEA inspection, or if it is deemed unsatisfactory, then North Korea will again face a serious situation," Han said.

The goverment expects North Korean action to enable the IAEA to begin nuclear inspections immediately, so that a solution to the problem can be found, according to Han.

## Government To Allow Exchange of North Currency

*SK2502060894 Seoul HANGUK ILBO in Korean 25 Feb 94 p 9*

[Summary] In preparing for brisk North-South trade, the government has decided to exchange North Korea's currency that may be obtained in travel to North Korea through a third country and in trade with North Korea, at the Export-Import Bank. It was learned that on 24 February, the government has deposited 300 million won as North-South cooperation funds at the Export-Import Bank. An official of the Export-Import Bank revealed: The funds were deposited for exchange with North Korean currency in preparation for brisk North-South trade.

## DPRK Military Delegation's Iran Visit Reported

*SK2502014694 Seoul KBS-1 Radio Network in Korean 2200 GMT 24 Feb 94*

[AP/YONHAP report from Nicosia]

[Text] A 29-man North Korean military delegation led by Cho Myong-nok, commander of the North Korean Air Force, returned home last week from its long visit to Iran for the promotion of Iranian-North Korean military and nuclear cooperation, agreeing on the promotion of mutual military, nuclear cooperation, an Arab weekly published in Paris reported.

AL-WATAN AL-'ARABI reported that the North Korean delegation consisting of experts in military technology returned home after signing an agreement for the promotion of new military, nuclear cooperation with Iran, but did not provide details. The North Korean Government news agency KCNA reported on 12 January that the North Korean delegation led by Commander Cho Myong-nok was visiting Tehran but neglected to mention the purpose of the delegation's visit. The Iranian Government press made no mention of the North Korean delegation's visit.

Western and Arab sources reported that during the North Korean delegation's visit to Iran, the two sides probably conducted intense discussion on the issue of test launches in Iran of the Nodong-1 medium-range missiles that have been developed by North Korea with Iran's financial assistance. Diplomatic sources speculated that the North Korean delegation may have visited

Iranian military and nuclear facilities, including the (Shad) missile test base located 320 kms east of Tehran.

## Kim Il-song Reportedly Invited To Visit PRC

*SK2502004194 Seoul KBS-1 Radio Network in Korean 2200 GMT 24 Feb 94*

[KYODO/YONHAP report from Beijing]

[Text] Chinese President Jiang Zemin invited North Korean President Kim Il-song to visit China at the latter's convenience some time this year. The Chinese Government news agency XINHUA reported in a news dispatch from Pyongyang. XINHUA said that Li Shuzheng, head of the CPC International Liaison Department, conveyed President Jiang Zemin's desire for the invitation when she, on a visit to Pyongyang, visited President Kim yesterday. XINHUA said that President Kim expressed gratitude for this and expressed his desire to visit China when the opportunity arises.

## Paper Says Kim Chong-il To Visit

*SK2502105994 Seoul YONHAP in English 1011 GMT 25 Feb 94*

[Text] Hong Kong, Feb. 25 (YONHAP)—China has invited North Korean President Kim Il-song to visit Beijing some time this year after March, a month when top South Korean and Japanese leaders would visit China, the SOUTH CHINA MORNING POST reported on Friday. The daily, quoting Chinese diplomatic sources, said Kim Chong-il, the heir to and son of Kim Il-song, would also visit China before summer this year. The sources observed it is almost certain that Kim Il-song would accept the Chinese invitation.

The paper quoted the sources as saying that China is inviting the top leaders of South and North Korea and Japan in a move to demonstrate its influence in Northeast Asia. It seems Kim Il-song would ask for China's economic aid and cooperation and also its support for Kim Chong-il as the next ruler of North Korea, the POST said. Kim Il-song is also interested in meeting China's paramount leader Deng Xiaoping to affirm the "lips and teeth relations" between China and North Korea, said the paper adding that Deng would agree to meet Kim on a private basis.

## Government To Provide PLO $12 Million in Aid

*SK2502104794 Seoul YONHAP in English 1007 GMT 25 Feb 94*

[Text] Seoul, Feb. 25 (YONHAP)—South Korea has decided to provide the Palestine Liberation Organization (PLO) with 12 million dollars in economic cooperation funds in the next five years, the Foreign Ministry reported on Friday. The amount will comprise 2 million dollars in grant and 10 million dollars in economic development cooperation fund (EDCF).

The ministry said that this year, 260,000 dollars will be disbursed for use in financing the training of 10 Palestine technical students in Korea, dispatch of two Korean specialists to Palestine and the supply of various equipment and materials, the ministry report said. A ministry official said the cooperation fund is part of international efforts to support the autonomy of Palestine.

"PLO's aid recipient office has not been singled out yet, but we are studying a plan to furnish the cooperation fund through the Palestine economic development and reconstruction committee headed by PLO Chairman Yasir 'Arafat," he said.

## Burma

### Than Shwe Views SLORC Negotiations Offer

*BK2502125294 Rangoon Burma Television Network in Burmese 1330 GMT 25 Feb 94*

[Excerpts] The final-year students from training course No.25 of the University for Development of National Races [UDNR] paid a courtesy call on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander of the Defense Services, at the Pyithu Hluttaw Building's Mingala Hall at 0900 this morning and received the words of advice from him. [passage omitted]

At the ceremony, Sr. Gen. Than Shwe, chairman of the SLORC and commander of the Defense Services, acted as a chairman while Lieutenant Colonel Pe Nyein, director general of the Office of the SLORC, acted as master of ceremonies. [passage omitted] Continuing, he said the Ministry of Progress of Border Areas and National Races and Development Affairs was founded, and this ministry was given the sole responsibility to implement the development activities. The separate ministry was founded because the government has a genuine goodwill for the rapid development of our people. We are carrying out these development activities because we want the people in the remote areas to be like us.

These development activities are being implemented with this objective. We are in a position to implement these activities, and some people understand about this. That is why the armed organizations are joining us. At the same time, there are some armed organizations who have yet to understand our efforts. That is why we, with genuine goodwill, are inviting these remaining groups at the present by making the utmost efforts. However, we have a problem because the fixed political belief still prevails among our national races and the armed organizations. That is, the enemy still sticks to the old political idea that its enemy is weak or there is a withering of strength within its enemy, and it can exploit politically and militarily when its enemy makes a proposal for negotiations and for making peace. We honestly invited them, but they still continue to hold on to the old political idea by thinking that we are facing crises and problems, and they can establish political and military exploitation; they ignored the development of their own country, and they are trying to exploit the situation to benefit their own party or organization. They do not understand.

That is why we are patiently inviting certain organizations. For instance, we are still inviting the KNU [Karen National Union] and Mon. We are inviting them with good intentions and goodwill. We are doing so not because we do not have enough strength. We are doing it to stop the bloodshed and killing among the national races. Our country obtained independence more than 40 years ago. What is going to be the position of our people in the present situation? Although our country is rich, we are poor due to the lack of peace and unity.

If our country is peaceful, and all of us work together, then our people will become prosperous, and our country will become a peaceful and modern state because of the wealth of our country. We have been fighting for about 40 years. We are all national brothers. Enough is enough. One should see the mistakes by now. One should see the right things by now. One should consider the country. We should work for the development of our country. It is time to repay the historical debt owed the country because one should understand by now that even though there were chances for our country to become rich, it was left undeveloped because of the killings and fighting. By understanding this, one should say to oneself that we owe the country and will repay the historical debt by working toward the establishment of peaceful and modern state. However, some do not have this kind of goodwill. [passage omitted]

The ceremony ended at 1000.

### Khin Nyunt, Kachins Hold Negotiations

*BK2502092294 Rangoon Burma Television Network in Burmese 1330 GMT 24 Feb 94*

[Report on the meeting between Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, and Kachin Independence Organization leaders in Myitkyina, Kachin State, on 23-24 February]

[Excerpts] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Regions and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], and his entourage left Yangon [Rangoon] on the morning of 23 February in a military airplane and arrived at Myitkyina Airport in Kachin State at 1015.

Lt. Gen. Khin Nyunt was accompanied by Lt. Gen. Maung Thint, minister of progress of border areas and national races and development affairs; Lt. Gen. Kyaw Min, minister of mines; Vice Admiral Than Nyunt, minister of health; Brigadier General Myo Thant, minister of information; Colonel Pe Thein, minister of education; U Soe Tha, minister of communications, post, and telegraph; responsible officials from the Office of the SLORC; directors general and managing directors from departments concerned; and other responsible officials. [passage omitted]

Lt. Gen. Khin Nyunt and his entourage proceeded to the Northern Military Command headquarters where they were welcomed by Kachin national leaders. Lt. Gen. Khin Nyunt, SLORC secretary-1; and Major General Saw Lwin, chairman of Kachin State Law and Order Restoration Council and commander of the Northern Command, then held a separate meeting with the KIO [Kachin Independence Organization] leaders—U Mali Zut Zaw Mai, U Lamon Tu Jai, U Gori Zaw Saing—and intermediaries—U Lawan, U Sabwegyun, and U Khun Myat in the office of the commander. [passage omitted]

[Begin recording] [Khin Nyunt] Today can be described as an auspicious day for the Union of Myanmar [Burma], for the entire national people, for Kachin State, and for the indigenous people residing in Kachin State. I describe today as auspicious because the peace talks between our SLORC delegation and the KIO delegation have reached a successful conclusion [nyein-chan-ye sway-ne-hmu aungmyinhmu ya de achay-ahne myo yauk te atwet].

This is attributed to our mutual consultations and talks following the state's goodwill invitation to the armed organizations in the jungle to return to the legal fold. The KIO held honest and sincere talks after realizing the genuine goodwill of the state. Following these talks, our two sides reached an understanding and we were able to realize peace as a result. [end recording]

Continuing, Lt. Gen. Khin Nyunt said that since Myanmar's independence 40 years ago, there has been armed conflict with the KIO for over 30 years due to differences of views. However, conditions have changed under the SLORC administration. He said there can be a problem in a family due to differences of opinion among the family members, but such a problem is only temporary and they are not antagonisms which last for a lifetime.

He said it is our conviction that the time has come for indigenous people to reunite and reconcile. Therefore, the SLORC has invited the indigenous armed organizations to return to the legal fold. He said the two sides have reached agreements and achieved peace because the KIO, which welcomed the government's invitation, has held honest and sincere talks with mutual understanding.

[Begin Khin Nyunt recording] We have reached this stage. So, what do we do for the next stage? We must work for progress and development of the Kachin State and the ministers and senior departmental heads have come along with me to do this work. We will work for the progress and development of Kachin State with these persons.

I estimate that Kachin State has lagged behind in development for over 20 years. We will all work in unison with momentum and cooperate in order to make up for the backwardness. The government will provide assistance and the indigenous people residing in the Kachin State as well as the KIO must cooperate. I dare say that if the three sides cooperate and work in unison, the development of Kachin State, which has lagged behind, will accelerate. [end recording]

Continuing, Lt. Gen. Khin Nyunt said that in setting priorities for development projects, priority will first be given to construction of roads and bridges, opening of hospitals and clinics under the health sector and schools under the education sector, and promotion of appropriate technology and crops which are suitable to local conditions under the agriculture and livestock breeding sector. He said there is plenty of land suitable for forestry and cultivation of crops in Kachin State, but land has not been cultivated due to armed conflict. If these lands are reclaimed and put under cultivation, the economy of the state will develop at an accelerated rate.

Lt. Gen. Khin Nyunt explained that endeavors for national development schemes and national unity during the SLORC administration of over five years are known to all. Endeavors are being made with the objective of developing Myanmar into a modern and developed nation on one hand, while efforts are being made for the emergence of a firm constitution while upholding the three cardinal causes—nondisintegration of the union, nondisintegration of national unity, and perpetuation of national sovereignty. Lt. Gen. Khin Nyunt explained that priority is being given to border region development with a view to promoting unity among national people while drug eradication is also carried out. At the same time, he explained, the state has been working for peace with genuine goodwill by inviting the armed organizations in the jungle to return to the legal fold.

He said mutual understanding has been reached with the KIO today and that outstanding success has been achieved and he attributed the success to the mutual goodwill and sincere efforts of the state government and the KIO. He said he believed that peace could certainly be achieved if the remaining Karen, Mon, and Karenni armed organizations in the jungles hold frank, cordial, and sincere talks with the state government with genuine goodwill.

Lt. Gen. Khin Nyunt said that the KIO will have to continue to work in order to participate legally in the process of emerging a firm constitution. He said once there is a constitution, Kachin State will be led by Kachin nationals and other states will be led by their nationals concerned. In order to have such leadership, it is necessary for all nationals to participate in working for a firm constitution.

Continuing, Lt. Gen. Khin Nyunt explained that the National Convention has obtained 104 basic principles on which such a firm constitution should be based and that panel discussions are being held to discuss details of the basic principles relating to each chapter. Once the discussions are completed, [the reports] will be submitted to a plenary session of the National Convention. Details relating to the 104 basic principles such as the chapter heading on the state, state structure, and head of state are currently under discussion. He said the KIO needs to observe the National Convention.

Lt. Gen. Khin Nyunt said the ministers and departmental heads in his entourage have prepared for the development of Kachin State. He disclosed that the Ministry of Progress of Border Areas and National Races and Development Affairs has allocated over kyat 20 million for building Myitkyina-Tanai-Nanyun Road, Mogaung-Kamaing-Longin Road, Hopin-Kontha-Nyaungbin Road and that electric generators, motor vehicles, and assistance have been collected for distribution. He said priority will be given to agriculture in working to develop Kachin State and the state will provide technology, machinery, seeds, and fertilizers in the areas where the state wants the KIO to give priority. If the peasants work hard the development of Kachin State, which has fertile lands, will accelerate. He said the state will set up economic enterprises which are viable. He explained that as Kachin State becomes peaceful and prosperous, travel throughout the state will become possible and international tourism will develop. He said international tourists will be interested in Indawgyi region and confluence point [of Irrawaddy River] and if these areas are made attactive, the development will take place in a short time.

Lt. Gen. Khin Nyunt said that if the people of Kachin State endeavor and work together in unity, and if the KIO cooperates in areas where it is able, then Kachin State will certainly develop.

In conclusion, he said, the SLORC is striving with genuine goodwill to reestablish solidarity among the national peoples, ensure the perpetuation of national sovereignty, prevent any loss of national independence, and strive toward the emergence of a modern and developed nation. He said now that the KIO has joined hands with the SLORC in these endeavors, there will be greater momentum in our work. He said he could see that the Union of Myanmar will emerge as a modern and developed nation in the near future if the remaining indigenous armed organizations come to realize the genuine goodwill of the national government, as the KIO has, and work hand in hand with honesty and sincerity. Therefore, he said, the time has now come for the national peoples and indigenous armed organizations to join hands with the state government with genuine goodwill, the correct attitude, and honesty.

Next, Kachin national leader U Zaw Mai [KIO deputy chairman] delivered a speech. He said the KIO took up arms and went underground in the jungle in 1960-61 when its demands for the rights the Kachins lost prior to 1962 and during the era of the AFPFL [Anti-Fascist People's Freedom League] government were rejected. He said there was a plan to establish a separate state at that time. After much political experience, however, we conducted a review to determine whether our policy was correct. We then adopted a policy of not seceding from the union. But there are still groups that have not accepted this decision. They are observing the situation. They will gradually develop faith in the government when they witness the success of projects carried out with genuine goodwill by the state government.

[Begin Zaw Mai recording] What kind of goodwill does the SLORC government currently have toward the country? We will observe whether these are only words or if they are carried out in practice. I have studied the state leaders' speeches in detail. I have also studied the radio and newspapers as well as the (?personalities). Only after four or five years, the SLORC government's goodwill toward the national peoples and the nation. [sentence as heard] Of course, there is one thing: The SLORC government is human; we are all human. We cannot say everything done by humans is correct and complete.

Then there was the state government's invitation to the armed organizations in the jungles to come out and hold talks. They went to the extent of saying that if we did not like it we could go back and continue to fight. At first, I thought they could possibly be correct. U Bran Seng, our chairman, submitted it to the Central Committee, and it was discussed thoroughly at the central level. We deliberated whether the time had come to make peace; whether it was supported by the people. The government side welcomed it, but what was the people's view? We deliberated for two years, considering what our views were toward the present government. We sent people throughout Kachin State. We sent them everywhere—Putao, (Hopet), Tanai, Mogaung, Mohnyin, Bhamo, Shwegu, and the Kachin region in Northern Shan State—and asked for the people's views. We did not ask everyone. We asked people who had political knowledge or were interested in politics. These people included veteran politicians, former senior public servants, and educated people. The general view was that the situation was good, and we were urged to try. We were advised to watch what they were doing, and if it did not work to go back to the jungle, as allowed by the Myanmar Government side. We were urged to try, and our Central Committee took the matter under consideration.

After that, our Central Committee adopted a policy that said: Do not promise what you cannot fulfill, but once a promise is made follow through; that is, do not go back on your word. Once we decided to undertake something, we must implement it accurately. Once we decided to undertake something, we must adopt a policy—a plan—on how to proceed from one step to another. We must set a goal. We adopted a policy of participating in some capacity in an endeavor to obtain genuine peace and establish a new nation. It is believed that a peaceful and prosperous Kachin State will contribute to the union. We decided to begin in accordance with this policy. Now it has been over a year since we began the peace talks with the government. The government and our intermediaries—three people—patiently initiated this work. That is why, at this moment, I would like to say that I will work for the peace and prosperity of the entire Kachin State as well as the peace and prosperity of the entire union. [end recording]

Maj. Gen. Saw Lwin, commander and chairman of the Kachin State Law and Order Restoration Council, then explained about the renovation and construction of roads and bridges in Kachin State. After his explanation, the secretary-1 presented gifts to the Kachin national leaders and took a group photograph with them.

The State Law and Order Restoration Council, with a view to reestablishing national unity and building peace, held sincere and frank talks with the KIO delegation that were marked by perseverance and mutual effort. The two sides held five rounds of talks in 1993 in Myitkyina, the capital of Kachin State. Understandings and agreements on a cease-fire were reached on the morning of 23 February 1994 [apyit-akhat yat-saing-ye saing-yar nar le thabawtunhyi-hmu-myar ko].

In the evening, Maj. Gen. Saw Lwin, commander and chairman of the Kachin State Law and Order Restoration Council, hosted a dinner at the Malihka Mansion in honor of the secretary-1, ministers, and national leaders. [passage omitted]

## Mons May Be Split Over Cease-Fire With Government

*BK2402130894 Bangkok PHUCHATKAN in Thai 24 Feb 94 p 15*

[Text] As negotiations to end the protracted war of more than 40 years between the ethnic minorities and the Burmese Government were about to bear fruit, news from the Thai-Burmese border near Kanchanaburi said that a faction of the New Mon State Party led by Lieutenant Colonel Saw and Lieutenant Colonel Win Aung—who control about 5,000 troops—refused to negotiate a cease-fire with the Burmese Government. This is despite the fact that Nai Shwe Kyin, leader of the New Mon State Party, already agreed to conditions for cease-fire talks with the Burmese military junta.

A highly-placed source in the New Mon State Party told PHUCHATKAN there is a conflict within the party between the new generation of leadership led by Nai Thein Aung, which wants a cease-fire with the government, and the older generation led by Nai Tala Saw Kya. Nai Tala Saw Kya, the group's number three leader, does not want to negotiate a cease-fire because he thinks it would mean surrender and compromise with the Burmese Government. Those who oppose the cease-fire talks are trying to gain control of the party's leadership by boosting the role of the Mon State Revolutionary Council as the representative of the Mon people's struggle.

There was a vote on a cease-fire at an earlier meeting of the party central committee. The majority supported Nai Thein Aung's proposal for a cease-fire with Burma because the armed struggle has dragged on for decades without any success. To them, peaceful negotiations would be a better option. Nai Shwe Kyin, chairman of the New Mon State Party, had to accept the majority's decision despite the fact that he does not agree with a cease-fire.

Also according to the source, in mid-February three companies of Burmese troops launched an attack on the Mon stronghold in Daingpu District, in the town of Ye in the south of Burma, close to the Thai border at Kanchanaburi. Five Mon soldiers were killed and some others were wounded, but the Mon troops were able to hold on to the stronghold. There was no report on losses among the Burmese troops.

The source said the Burmese assault on the Mon stronghold could have been an attempt to pressure the Mons because of their refusal to negotiate on a cease-fire. Besides, the Burmese Government is building a railway from Ye to Tavoy and it has to do something to keep the Mons out of its way.

Nai Tala Saw Kya, the number three man in the New Mon State Party, told PHUCHATKAN that the Mon Revolutionary Council will not accept the Burmese Government's cease-fire conditions, although it may come under pressure from the Burmese as well as the Thai Government, which also wants to see a cease-fire. He said a cease- fire with Burma would be a betrayal of the national cause. The Mon State Council will pursue the armed struggle. He was confident of keeping about 5,000 men under his control for the armed struggle.

Security officers in Thailand think that the real reason Nai Tala Saw Kya rejected a cease-fire with Burma was because he was afraid of losing the income he earns from transit fees collected from Thai businessmen in logging and fishing deals in Burma. This amounts to dozens of millions of baht per year.

## PRC Border Inspection Delegation Arrives

*BK2302162294 Rangoon Radio Burma in Burmese 1330 GMT 23 Feb 94*

[Text] An eight-member Chinese delegation led by Mr. (Zhou Mang Qian), survey department head from the Defense Ministry of the People's Republic of China arrived in Yangon [Rangoon] by air this afternoon to attend the fourth meeting of survey and mapping experts for the second Myanmar [Burma]-China joint border inspection.

## Indonesian Foreign Minister Departs 23 Feb

*BK2302160294 Rangoon Radio Burma in Burmese 1330 GMT 23 Feb 94*

[Text] An Indonesian delegation led by Foreign Minister Mr. Ali Alatas, who were visiting Yangon [Rangoon] at the invitation of U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar [Burma], left Yangon by special aircraft this afternoon. The delegation was seen off at the airport by Foreign Affairs Minister U Ohn Gyaw, Deputy Foreign Affairs Minister U Nyunt Swe, and responsible personnel, Indonesian Ambassador Mr. Mohamed Sanusi and embassy officials.

# Brunei, Malaysia & Singapore

## Malaysia

### Troops Arrive in Bosnia After Delay in Croatia

*BK2502085794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 25 Feb 94*

[Text] A total of 500 Malaysian troops serving with the United Nations, UN, have been deployed in Bosnia-Herzegovina after being delayed in Croatia. Defense Minister Datuk Sri Najib Tun Razak said 65 men in two platoons were deployed around the Mount Igman area overlooking the besieged capital of Sarajevo while the rest were in Konjic and Visoko.

He said the delay was due to the land route through neighboring Croatia to Bosnia proper being blocked by obstacles and the winter weather conditions. He told this to reporters after receiving 7,200 packets of goodies for the end of Ramadan celebration. The goodies will be flow by Hercules transport aircraft to the Malaysian troops in Bosnia.

A total of 2,555 Malaysian military personnel are serving with the UN peacekeeping operation worldwide, including Somalia and their staff officers at the world body headquarters in New York.

### Cabinet Excludes British From New Contracts

*BK2502102094 Kuala Lumpur Voice of Malaysia in English 0800 GMT 25 Feb 94*

[Text] Deputy Prime Minister Datuk Sri Anwar Ibrahim has announced that the cabinet has decided not to entertain participation by British companies in new contracts, especially those funded by the government. He said this in Kuala Lumpur today following British press reports of the alleged tactics used by the British Government and British companies in winning Malaysian contracts. The alleged arms-for-aid deal has prompted the House of Commons Select Committee on Foreign Affairs to launch an investigation into the Pergau Dam affair.

### Air Force Chief: Need More Hawk Fighter Planes

*BK2502090394 Kuala Lumpur Voice of Malaysia in English 0600 GMT 25 Feb 94*

[Text] Air Force Chief Lieutenant General Datuk Abdul Gani Aziz says Malaysia needs more Hawk 200 jet fighters to strengthen its air defense. He is of the view that the 20 Hawk aircraft being acquired to replace the A-4 Skyhawk are insufficient. The Air Force plans to increase the number of Hawk aircraft in the future. He told reporters this at the RMAF [Royal Malaysian Air Force] base in Butterworth. Earlier, Datuk Abdul Gani was present at the handing-over of a Hawk 100, one of the two aircraft acquired from Britain for the purpose of training. The purchase of the 20 Hawk was made under a memorandum of understanding signed by the Malaysian and British Governments three years ago.

## Singapore

### Second Bank Opens Branch in Phnom Penh

*BK2402131094 Singapore BUSINESS TIMES in English 24 Feb 94 p 25*

[By Harish Mehta]

[Text] Singapore—A new bank, Singapore Commercial Bank Ltd (SCB), opened recently in Phom Penh, becoming the second Singapore bank to do so. SCB pipped five other Singapore firms which have been given in-principle approvals to start banks, but have not yet done so. SCB's general manager Teoh Sam Ming told BUSINESS TIMES that the bank got its licence last December from the National Bank of Cambodia, the central bank, and started up soon after with a paid-up capital of U.S.$3 million. It offers savings and fixed deposit accounts.

SCB occupies five shophouses on the prestigious Monivong Boulevard, formerly known as Achar Mean Boulevard. SCB, registered in Phnom Penh, is owned by Singapore property developer Kong Look Sen, who is behind various residential buildings and real estate developments in Johor Baru. Mr Teoh said that Mr Kong views Cambodia with the same optimism as he does China when it began liberalising its economy in 1980s.

Mr Teoh said, however, there are operational problems as Cambodians are wary of banks because of a massive scam when the Khmer Rouge guerillas banned money after capturing power in 1975. Many Cambodians lost money when banks closed down during the rule of the Khmer Rouge. "People still don't trust banks. We'll be there first to install safe deposit boxes in Phnom Penh, and this will be a major service," Mr Teoh said.

He hopes that a new land law will come into force so that foreign banks can extend loans and accept land as collateral. "Currently, loan applicants are required to transfer their land to the bank. But in reality, the applicants have many copies of their land titles which they pledge to many banks," he added.

About 20-odd foreign banks are operating in Phnom Penh. The first Singapore-backed bank opened for business last May just a few days before the national elections.

Four Singapore businessmen involved in property, diamonds and pottery invested U.S.$16 million to set up the Singapore Banking Corporation Ltd (SBC Bank). The four are Lim Kim Chong, Kun Kay Hong, Tay Ah Kiang, and Kwek Meng Kwang.

Mr Lim—who is SBC Bank chairman—is also chairman of Singapore-registered Diamond Industries Pte Ltd, and is involved in the property and diamond trade in Singapore, Malaysia and Australia. SBC Bank's managing director Mr Kun is in the property business.

The five Singapore firms given in-principle approvals to set up banks are Maya Manufacturing and Trading Pte Ltd , Goodhill Enterprise (S) Pte Ltd, Broadland Enterprises Pte Ltd, Wiselink Pte Ltd, and a project by Singapore businessmen Khoo Lim Leng and Eng Liat Kiang who plan to set up the Euroasia Bank Ltd.

## Cambodia

### Radio: Government Anlung Veng Campaign Defeated

*BK2502033494 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 24 Feb 94*

[Text] The following is a report on the attack and complete destruction of the first major military campaign launched by the Vietnamese communist puppets and two-headed government on the Anlung Veng battlefield.

I. The Anlung Veng battlefield command and the National Army of Democratic Kampuchea [NADK] General Command wish to announce that the first major military campaign launched by the Vietnamese communist puppets and two-headed government on Anlung Veng Battlefield was attacked and smashed to pieces at 1330 on 24 February 1994, repeat, at 1330 on 24 February 1994.

II. The attack and destruction of the offensive constitutes destruction of the first major military campaign conducted by the Vietnamese communist puppets and two-headed government.

III. It is worth recalling that the campaign aimed at destroying the liberated area of Anlung Veng was launched in September 1993 while the two-headed government leaders went to the UN Headquarters in New York.

After a battle of over one month, the troops of the Vietnamese communist puppets and two-headed government were routed completely. Many of them were killed or wounded, but they all were privates because their commanders were staying away in Siem Reap or on Route 68 in Samraong. This first major military campaign considered by the Vietnamese communist puppets and two-headed government to be a final battle was planned for November 1993, but it was repeatedly postponed because there were not enough troops. It was only at the end of December 1993 that a second major dry-season offensive on the Anlung Veng battlefield began. After six or seven days of fighting, the so-called second major offensive was completely defeated.

IV. Since then, especially in January 1994, a final major military campaign was planned to destroy the Anlung Veng area from all directions; that is, two directions from Route 68 [words indistinct], one direction from Sre Noy, one direction from Rum Chek, and one direction from Kulen. The plan was repeatedly revised by the Vietnamese communists, Vietnamese communist puppets, the alliance, and the two-headed government. They were busy purchasing ammunition; mustering troops from all provinces and districts; gathering all available armaments, tanks, armored carriers, trucks, multiple rocket launchers, and cannons [words indistinct], mobilizing their troops, and so on. The plan was to destroy or force Democratic Kampuchea to surrender and accept their three conditions by ignoring the five points of the king; it constituted the most serious crime and was aimed at doing away with the Cambodian nation and people in accordance with the strategy of swallowing Cambodia via the Vietnamese communists' military and human war.

The plan can be summarized as follows:

1. 70 or 80 percent of important troops nationwide were mobilized;
2. 70 or 80 percent of assorted light and heavy armaments nationwide were deployed;
3. 90 percent of commanders—most of them are generals—nationwide were gathered on the battlefield [words indistinct];
4. The alliance exerted its all-out effort in maneuvering according to its ability and the situation.
5. The alleged major campaign of the Vietnamese communist puppets, two-headed government, and the alliance began at the beginning of January 1994. After nearly 30 days of fighting, it was, however, destroyed for the third time. On 9 February, they marshaled all their troops to launch a fourth assault. The battle was hard-fought, and it was only on 18 February that the invaders were surrounded by the NADK and people near Anlung Veng. Their troops have remained in the death square as the nearly 400,000 troops of Marshal [name indistinct] were routed [words indistinct] in a manner recalling Stalingrad in World War II and the fate of the more than 80,000 French troops of Gen. [Ducas] destroyed at Dien Bien Phu. After six and a half days of fighting, the invaders were destroyed.
6. This is the greatest defeat of the Vietnamese communists, the Vietnamese communist puppets, the two-headed government, and the alliance, which continue the strategy of destroying Democratic Kampuchea [DK] and national reconciliation, opposing the king, and promoting war with the aim of swallowing Cambodia once and for all. It constitutes a defeat for the clique and a victory for our entire nation and people and the peace-loving countries of the world. It also represents a success for the five-point national reconciliation force of the king.
7. Nevertheless, our nation and people's enemies have never renounced their strategy. Therefore, we should heighten and reinforce our vigilance to decimate their criminal stratagy for the sake of our nation's reconciliation and genuine peace.

## Indonesia

### Committee: 15,000 Register for Bosnia Fight

*AU2302102994 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 19 Feb 94 p 4*

["M.S."-initialled report: "15,000 Mercenaries Arriving"]

[Text] The Indonesian committee for helping Bosnian Muslims has announced that at least 15,000 young men had reported to leave for Bosnia.

Ahmed Sumarugono [name as published], deputy chairman of this committee, said, according to a report in the Istanbul newspaper GUNAYDIN, that about 50,000 voluntaries will be registered by the end of the week, after which the Indonesian Army will be asked to train all those people who have registered to leave for Bosnia in handling arms and in other military skills as soon as possible.

### Suharto Views Issue of Leadership Succession

*BK2502134594 Singapore THE STRAITS TIMES in English 25 Feb 94 p 2*

[By Paul Jacob]

[Text] Jakarta—President Suharto, whose recent remarks on his tenure as Indonesian leader fuelled speculation that he might be preparing to step down, said yesterday that no one should make an issue of the political succession question. He said the procedures for determining the country's political leadership had long been in place and had been implemented at presidential elections every five years since 1968.

Speaking to Religious Affairs Minister Tarmizi Taher at the Istana yesterday, Mr Suharto said he was a man who abided by the constitution and its provisions, which include one which states that a President is elected to serve a five-year term. Mr Suharto, 72, pointed out that having been entrusted with the position by the People's Consultative Assembly (MPR) last year, he would end his term "in accordance with the Constitution". The provisions also say that a candidate can be re-elected and no limit is stipulated.

In keeping with his long-held position on the leadership succession issue, Mr Suharto did not say whether he intended to seek re-election for a new term in 1998, but said he intended to serve out the current term. The closest he had come to saying that he might step down was in a biography released in 1989. But in view of the support given to him by political parties and the military in late 1992, he said that such endorsement and support was a call to duty and service which he could not dismiss. He then went on to accept the nomination and was elected last March to his sixth straight five-year term.

Mr Suharto has maintained at each occasion that it is the people, through their representatives in the MPR—the country's highest legislative body—who decide every five years who their future leader should be.

Mr Tarmizi, who met the President to report on his visits to Saudi Arabia and Malaysia recently, used the occasion to raise the succession question on behalf of a number of local religious leaders. These leaders had questioned Mr Tarmizi about Mr Suharto's earlier remarks that he would not be President for life and that he knew when to step down.

Mr Suharto responded by pointing out that procedures for determining the country's political leaders were in place. He also urged against too uninhibited a discussion on the issue.

Political scientist Amien Rais first suggested last December that the succession issue should be discussed openly. After some initial reaction, the move died down when the ruling Golkar [Functional Group] party, of which Mr Suharto is de facto leader, rejected the idea. It resurfaced last week after American academic Donald Wilson told reporters after meeting Mr Suharto that the Indonesian leader had said he did not intend to be President for life and that "I will step down right on time".

### Suharto Reaffirms Intention To Complete Term

*BK2402082494 Jakarta ANTARA in English 0636 GMT 24 Feb 94*

[Excerpt] Jakarta, Feb 24 (ANTARA)—President Suharto said Thursday he would continue to fulfil his constitutional obligations given by the People's Consultative Assembly (MPR) as its mandatory [mandate holder] for the 1993-98 presidential tenure. "I will fulfil my constitutional duties," the president was quoted as saying by Religious Minister Tarmizi Taher.

The head of state made the remarks in response to questions of a number of ulemas put forward by the minister on the implementation of his task as the MPR mandatory. Tarmizi Taher said that a number of ulemas raised concern that Suharto would leave his post before his tenure is completed in 1998. The minister said he had received a number of telephone calls from ulemas asking clarification on rumors that President Suharto will leave his post before completing his presidential tenure. He said that the telephone on this question also came from the Indonesian Ulemas Council's (MUI) Chairman Hasan Basri.

On the occasion, the minister also reported on his recent visit to Saudi Arabia to observe preparations for the 1994 pilgrimange season. [passage omitted]

## Philippines

### Rightist Rebels See Regime Insincerity in Talks

*BK2502050294 Manila MANILA BULLETIN in English 22 Feb 94 pp 1, 17*

[By Aris R. Ilagan]

[Text] The right wing Young Officers Union (YOU) accused the government yesterday of insincerity and unpreparedness in the ongoing talks with the Rebolusyonaryong Alyansang Makabansa (RAM) [Nationalist Revolutionary Alliance], resulting in a deadlock in the peace negotiations.

In a statement signed by Captain Magtanggol Santos, YOU spokesman, the group accused the government of resorting to propaganda tactics in discrediting the rebel movement. "Some people tend to believe or, in fact, delude themselves into believing, that we have agreed to participate in the peace process because, according to them, we are already a spent force, weak, marginalized, irrelevant, and needing only a graceful exit to save our face," Santos said. "This is self-serving government propaganda line. The fact is, we are now ahead and right at the center of our people's hearts and minds," he said.

Since the signing of the preliminary cease fire agreement by the representatives of the government led by Defense Secretary Renato S. De Villa and the RAM last 23 December, the peace negotiations between the two parties "have not even reached a substantive portion of our talks because of the unpreparedness of the government to set up the grievance mechanism and seriously discuss the issues," he said.

Government representatives in the peace talks with right wing rebels have called on the RAM-YOU leadership to return to the negotiating table for the resumption of the talks.

In their message for the 8th anniversary celebration of the EDSA [Epifanio de los Santos Avenue] Revolution the YOU called on the leaders of the government and the civilian sector to reflect since the country is still suffering from economic and social difficulties.

They also criticized the national leadership for its alleged failure to curb graft and corruption and lavish government expenditure. The YOU faction of the right wing group is believed to be composed of junior officers who took part in the failed December 1989 coup.

## Thailand

## U.S. Action Sought Against Lao Rebel Leader

### Supreme Command Request

*BK2502035894 Bangkok THE NATION in English 25 Feb 94 p A1*

[Text] The Supreme Command has asked the United States to consider legal action against anti-Vientiane fighters Gen Vang Pao and Gen Khonglit Chokbengbun for alleged illegal activities in Thailand. An Army source said the two, now naturalized Americans who were named in a Supreme Command complaint to the police on Wednesday, were believed to be in the United States. The request was conveyed through the US embassy in Bangkok as well as through the Thai military attache in Washington, the source said. He said a similar request was conveyed to Canberra on Wednesday through the Australian Embassy's military attache here in case the two might be in Australia.

Vang Pao spent two years along the Thai-Laotian border after the 1975 defeat of the US-backed Hmong guerrillas by the Communist government in Vientiane. He then migrated to the United States from where he frequently returned to Thailand, the Army source said.

According to the source, the United States could possibly arrest the two generals and extradite them to Thailand under a law which prevents Americans from trying to subvert foreign governments. However, the Supreme Command's Intelligence chief Col Chanya Warakhamin said the Army had not yet asked the United States to arrest the two. But he said the United States had made suggestions on legal angles which could be used to allow action to be taken against them. He did not explain.

The Supreme Command on Wednesday lodged a complaint with the Crime Suppression Division asking the police to arrest the two for violating Thailand's national security laws by organizing the United Independent Front and Laos United Independent Force and making forays into Laos to carry out sabotage. The complaint also covered Vang Pao's followers in Thailand.

The move signalled the Army's complete break from the generals who in the past were allies to the Thai Army and American troops in the anti-Communist movement along the Thai-Laotian border.

Washington had always refused Thai requests for cooperation to stop Vang Pao, saying the US government did not support him.

On Aug 20 last year, the supreme commander ordered that action be taken against anti-Vientiane guerrillas residing in Thailand, Col Chanya said.

The Army has mounted a campaign to suppress the guerrillas during the past two years which led to the arrests of dozens of Vang Pao's supporters and members. Legal action has been limited to immigration law violations.

"Most of them were arrested, checked for possession of weapons and sent back to whichever country they had come from," Chanya said.

Chanya said the Army had run out of patience in trying to thwart the group's activities so it had to resort to asking for the arrest of the two leaders under criminal law.

Army chief Gen Wimon Wongwanit yesterday said there was evidence that the two generals had raised money from Lao expatriates in the United States on a monthly basis to help the Lao liberation movement in Thailand.

Interior Minister Gen Chawalit Yongchaiyut said he believed the police would be able to trace the movements of the group as its members frequently crossed back and forth along the Thai-Laotian border.

### Center Seen as Rebel Base

*BK2502040294 Bangkok THE NATION in English 25 Feb 94 p A2*

[Excerpts] The abbot of Wat Tham Krabok in Saraburi yesterday said he had closed his drug rehabilitation centre to new Hmong arrivals, as the Interior Ministry announced it was considering a plan to wipe out the remaining anti-Vientiane movement allegedly operating from the temple.

Phra Chamrun Panchan said he regretted the decision not to admit more Hmong drug addicts for treatment. [passage omitted]

Interior Minister Gen Chawalit Yongchaiyut, who did not provide details of the plan to put an end to anti-Vientiane activity based in Thailand, yesterday said some of the Hmong at the drug treatment centre are connected with right-wing anti-Vientiane rebel leader Vang Pao.

Deputy Interior Ministry Permanent Secretary Chaloem Phromloet said that 6,052 of the 10,000 Hmong at the temple are illegal immigrants from Laos, not from northern Thailand as are the others who are known as Thai Pukhao [Thai mountain people]. According to the ministry's figures, there are less than 200 drug addicts at Wat Tham Krabok. The National Security Council last year asked the Interior Ministry to screen residents of the temple to separate the drug addicts from the alleged Hmong rebels in disguise. The ministry was also asked to take necessary action against those using the temple for reasons other than drug rehabilitation.

Phra Chamrun said provincial authorities had deployed militiamen around his temple for several weeks after a report last year that the sprawling compound had been used by rightwing Hmong opposed to the Lao government as a staging area for sabotage and acts of terrorism inside Laos.

"But the militiamen have since been recalled because they did not find any illegal activities committed by the Hmong people," he said.

He said he wanted the provincial authorities to send in observers to monitor the work of his staff at the drug rehabilitation centre to make sure no illegal activities took place.

The abbot complained that the authorities tended to regard him and his staff with suspicion.

Phra Chamrun said although the number of Hmong hilltribe people undergoing treatment was small, the majority of the close to 10,000 Hmong at the temple were their family members and relatives.

The abbot denied that any of the Hmong residing at his temple had anything to do with Gen Vang Pao, the leader of a Hmong armed force opposed to Vientiane.

### Editorial: Act Against Vang Pao

*BK2502101294 Bangkok SIAM POST in Thai 25 Feb 94 p 4*

[Excerpts] On 23 February, Lieutenant General Thiradet Miphian, director of the Supreme Command Intelligence Department, petitioned the Police Department to take legal action against Generals Vang Pao and Thonglit Chokbengboun of the Lao National Liberation Army [LNLA] on charges of violating national security.

The purpose of the petition is to have the two Lao generals investigated in accordance with government policy, because they support the organization of illegal movements on Thai territory opposing the Lao People's Democratic Republic [LPDR]. The LNLA secretly gathered men, weapons, and food supplies in areas of Chiang Kham District in Phayao Province and Thung Chang, Mae Rim, and Tha Wang Pha Districts in Nan Province to launch several armed operations in the LPDR. [passage omitted]

In October 1993, the Thai Supreme Command stated that action was being taken against some of the 6,096 Lao refugees living at Tham Krabok temple in Saraburi Province when it was discovered that they were followers of Vang Pao.

The Thai Government's harsh policy against Generals Vang Pao and Thonglit and their followers—charging them with national security violations and illegal entry—will help eliminate the LPDR Government's suspicions and contribute to stronger relations between the two countries.

### Deputy Minister on Potential Trade With DPRK

*BK2502090194 Bangkok Radio Thailand Network in Thai 0530 GMT 25 Feb 94*

[Text] The DPRK's purchase of 50,000 tons of rice and its plan to buy 2,000 tons of smoked rubber sheets amount to a beginning of trade relations between the Thai and DPRK Governments. According to Deputy Commerce Minister Churin Laksanawisit, the past volume of trade between the two countries has been relatively small. He feels that the new trade contacts will contribute to greater bilateral trade volume.

[Begin Churin recording] I believe there is potential for expansion of trade with the DPRK. To date, we import yarn, steel pipe, machinery, and chemical products. Our exports to that country are gas, gypsum, clothes, auto parts, and so forth. There were discussions on rice, tapioca, and natural rubber. A couple of days ago the DPRK signed a contract to buy 50,000 tons of our 15-percent [broken grain] rice. I just completed a discussion on tapioca and natural rubber. The DPRK does not know much about uses of tapioca flour. They will probably import the flour to process into pellets, to coat textiles, and to produce toothpaste, an essential product. The DPRK has been using wheat flour and has no experience in the uses of tapioca flour. The DPRK official said he is interested in Thai tapioca flour. Therefore, it has been agreed that the Commerce Ministry will quickly send samples of tapioca flour and relevant specifications to the DPRK Government for experimental uses. The ministry will then follow up to try to turn the DPRK into another market for Thai tapioca flour. [end recording]

### Official Lobbies GATT on Trade-Environment Link

*BK2502054594 Bangkok Radio Thailand Network in English 0000 GMT 25 Feb 94*

[Text] Thailand is calling on the General Agreement on Tariffs and Trade to stop linking trade issues to environmental concerns. The deputy minister for science, technology, and environment, Pricha Musikun, made the request at an informal meeting on trade and the environment in Geneva, Switzerland, attended by more than 20 nations.

The gathering was organized as a brainstorming session ahead of the signing of the new Uruguay GATT agreement in April. Thailand and Malaysia attended the meeting as representatives of the Association of Southeast Asian Nations, or ASEAN. Mr. Pricha said developed nations should not make environmental demands as part of any trade negotiations with developing countries. He said it is important that all nations be allowed to develop at their own pace.

### Wichit, Prasong Comment on Arms Barter Policy

*BK2502082294 Bangkok Radio Thailand Network in English 0000 GMT 25 Feb 94*

[Text] Defense Minister Wichit Sukmak has reached understanding with military leaders on the government's policy of bartering Thai products with foreign weapons.

Government spokesman Aphisit Wetchachiwa says the defense minister has explained the thinking behind the principle and ways and means to proceed in arms deals. Mr. Aphisit says only major arms purchases will be subject to barter trade policy. He says the government does not intend to interfere in regular operation of the Armed Forces and small purchases will not have to be negotiated.

Foreign Minister Prasong Sunsiri says the Armed Forces' plan to buy transport planes from Italy has to be delayed until Italy has a new government.

Deputy Minister of Commerce Chaiyot Sasomsap also says the armed forces should ask Italy to remain committed to the quota prices until April as there will be a trade meeting between the two countries next month. He expects the meeting to be beneficial to the arms deal as well. Deputy Minister Chaiyot says his ministry has invited the Thai Chamber of Commerce and the Federation of Thai Industries to consult on trade measures and cooperation with Italy on February 24.

### Committee Urged To Solve Disputes With Cambodia

*BK2502031094 Bangkok BANGKOK POST in English 25 Feb 94 p 4*

[Editorial: "Set up forum to boost ties with Cambodia"]

[Text] The sea battle last week in the Gulf of Thailand between Thai and Cambodian navies was the latest and probably the most serious in a series of conflicts which flared up this year between the two countries. The brief skirmish led to the sinking of two Thai fishing boats and a Cambodian vessel and the capture of 14 Cambodian sailors. It also prompted Cambodia's Koh Kong provincial administration to close the border opposite Thailand's Trat Province.

Shortly before Prime Minister Chuan Likphai's historic visit to Cambodia last month, the Cambodian Information Ministry accused some "bad seeds" in the Thai military of assisting Khmer Rouge guerrillas—a charge that was categorically denied by the military and the Government. Thai businessmen in Cambodia were also accused by Finance Minister Sam Rangsi of behaving like "cowboys" because of their alleged exploitative business practices.

Although limited in scale and gravity, the armed conflict and exchange of acrimonious rhetoric between the two countries reflects the deep-seated mutual distrust between Thais and Cambodians which dates back to history. In the minds of many Cambodians, there is a negative attitude and suspicion that Thailand is a bully attempting to carve up their country in unwitting concert with the Vietnamese on the other side of the border. There is also a feeling that Thailand is ready to exploit Cambodia's wealth whenever an opportunity arises for that country to become strong, particularly at a time when nationalistic pride is being revived and reconstruction is under way. On the other side of the coin, several Thais still regard themselves in a "Big Brother" light vis-a-vis their Cambodian neighbours and expect the latter to show their respect. On occasion Cambodians have been branded as ungrateful and untrustworthy for their attempts to break free and be treated as equals.

Mutual distrust was cast aside to pave the way for mutual interest when the Thais supported the anti-Vietnamese Cambodian factions in their liberation struggle against the Vietnamese and their puppet regime in Phnom Penh during the 80's. And when mutual interest is no longer the case, suspicion and racial animosity rear their ugly heads as was witnessed in the recent flare-up between the two countries. Yet, this destructive attitude which seems to lie dormant in the subconsciousness of the two peoples waiting for a time to be reactivated is not insurmountable if the two parties are just prepared to sit down together to talk matters over in a sincere manner rather than trading bullets or exchanging angry rhetoric.

The undemarcated land border between Thailand and Cambodia and the overlapping territorial waters claimed by both sides are triggers for potential conflict—and a flare-up in fighting in a worst case scenario—between the two countries. The sea battle in the Gulf last week which was reported to have been provoked by an incident involving one Cambodian vessel and two Thai fishing trawlers in an area still contested by the two countries represents a glaring example of the kind of hostile situation that Thailand and Cambodia will find themselves in. And given the notorious reputation of Thai fishermen for opportunism, the risk of such confrontations will undoubtedly increase.

The latest armed conflict underscores the need for the two countries to quickly set up a joint border committee similar to the ones that exist between Thailand and Burma, Thailand and Laos and also between Thailand and Malaysia to resolve border disputes across the negotiating table.

It is true that there were bad times in the past when Thailand was viewed as the aggressor and Cambodia the victim or when the two countries saw themselves as racial enemies. These bitter experiences should now be put behind us so that the two countries can cultivate a new relationship based on mutual respect of territorial integrity, common interests, mutual prosperity, equality and non-interference in each other's internal affairs.

## Alatas, Prasong Back Burma ASEAN Ties

*BK2402141794 Bangkok Voice of Free Asia in Thai 1030 GMT 24 Feb 94*

[Text] Indonesian Foreign Minister Ali Alatas made a stopover at Bangkok's international airport yesterday, during which he held an hour-long informal discussion with Foreign Minister Squadron Leader Prasong Sunsiri.

The Indonesian foreign minister said Indonesia had no objection if Thailand wants to invite Burma to attend the July ASEAN foreign ministers meeting in Bangkok as Thailand's guest. Alatas said it is a common practice within ASEAN for the host country to invite other countries to attend the meeting. He said that Indonesia is pleased to see the economic and political developments in Burma as the country becomes more open. Indonesia welcomes Burma's decision to strengthen its ties with ASEAN.

Foreign Minister Prasong Sunsiri, meanwhile, stressed the Thai Government's wish to see Burma attend the ASEAN meeting in Bangkok. Burma's decision to attend should be approved by ASEAN members first, however.

According to a Foreign Ministry source, Foreign Minister Prasong Sunsiri will visit the Philippines on 4-5 March to attend the first meeting of the Thai-Philippine joint committee. He will also take the opportunity during to visit to discuss the Burma issue with Philippine leaders.

## Mongolian President on Official Visit 25-28 Feb

### Prasong on President's Talks

*BK2502140894 Bangkok Radio Thailand Network in Thai 1200 GMT 25 Feb 94*

[Text] This afternoon, the Mongolian president—on an official visit to Thailand from 25-28 February as the guest of the government—and his wife called on the prime minister at Government House. Speaking to reporters afterward, Foreign Minister Squadron Leader Prasong Sunsiri said this is the first visit to Thailand by such a high-ranking Mongolian official. He said there were broad discussions on political, economic, and social issues between the Thai and Mongolian leaders, who agreed that those issues have progressed well:

[Begin Prasong recording, in progress] ...called on our prime minister. They discussed political, economic, social, and trade issues. They agreed that Thai-Mongolian relations have proceeded well and will improve further. He asked us to consider Mongolia's wish to join ASEAN or APEC [Asia-Pacific Economic Cooperation] activities. The prime minister informed him that he has no objection in principle. Because those organizations include other countries, though, they will have to be consulted. On economic and trade issues, both sides agreed to increase the trade volume. Although the two countries are located far away from each other, communication between them is good. If the private sectors of both countries meet, there will be good prospects for greater trade.

Thailand offered scholarships for Mongolian students and invited Mongolian monks to study Buddhism in Thailand. A few Mongolian students and monks are already studying here. We offered several scholarships for Mongolian students, particularly in the field of public health. [end recording]

### Air Service Agreement Signed

*BK2502130594 Bangkok Voice of Free Asia in Thai 1030 GMT 25 Feb 94*

[Text] An air service agreement was signed between the Thai and Mongolian Governments at Government House toady. The Thai Government was represented by Foreign Minister Squadron Leader Prasong Sunsiri, while the Mongolian trade and industry minister signed on behalf of his government. Prime Minister Chuan Likphai and Mongolian President Punsalmaagiyn Ochirbat witnessed the signing.

A Mongolian delegation visited Thailand from 15-16 September to negotiate an air service agreement, and a draft agreement was initialed on 16 September. The

Mongolian president's 25-28 February visit to Thailand presented a good opportunity to sign the initialed air service agreement.

Flights by the two countries' airlines will commence when each is ready. The agreement will facilitate visits by people from the two countries and promote tourism, trade, and investment as well as cultural and art exchanges between the two nations.

Thailand currently has air service agreements with 72 countries; 69 airlines from 55 countries fly to Thailand on regular basis, averaging 532.5 flights per week.

### Slovak Premier on Arms, Trade Possibilities

*BK2502043294 Bangkok THE NATION in English 25 Feb 94 p A2*

[Text] Slovak Prime Minister Vladimir Meciar yesterday said the country was interested in supplying arms to Thailand through a barter deal.

"Slovakia ranks among the largest arms producers in the world and we have tanks, artillery, missiles and ammunition," he told a press conference.

Meciar stopped over in Bangkok for about twelve hours as a guest of the Thai government to discuss bilateral relations. He had spent five days in China discussing trade. This is the first visit to Asia by a Slovakian prime minister since the republic officially seperated from Czechoslovakia in January 1993.

According to Meciar, Slovakia's international trade volume has grown considerably. He said he was interested in signing two agreements with Thailand—to avoid double taxation and to protect investments. "We welcome Thai investors," he said.

Slovakia exports steel and chemicals and is in need of consumer products like canned food, he said. Opportunities also exist for foreign investors in the hotel and tourism sectors.

## Vietnam

### Political, Economic Ties With Thailand Assessed

*BK2502024494 Hanoi Voice of Vietnam in English 1000 GMT 24 Feb 94*

[Station commentary]

[Text] In a reception given to the Vietnamese Ambassador Le Cong Phung in Bangkok on Tuesday [22 February], Thai Prime Minister Chuan Likphai said: Thailand-Vietnam relations will now have a more favorable environment to consolidate and develop. Here is our comment.

In the past two years, Vietnam-Thailand relations have consolidated and developed in many fields. Exchange visits by many high ranking delegations have been made. On 15 October last year, party General Secretary Do Muoi went to Thailand after a visit by Prime Minister Vo Van Kiet. On 3 February this year, President of the Thai Parliament Mr. Marut Bunnak visited Vietnam, and, most importantly, Thai Prime Minister Chuan Likphai said he will make an official visit to Vietnam.

During summit meetings within the two countries, mutual understanding has been strengthened, contributing to the development of bilateral relations in many fields. The Thai prime minister as well as industrial, academic, and business leaders in Thailand all expressed admiration for Vietnam political developments and social stabilization. The coming visit to Vietnam by Thai Prime Minister Chuan Likphai comes after lifting of the American embargo. He said: Relations will be strengthened between the two countries.

In economic relations, Vietnam and Thailand have concluded exchange agreements including agreements on avoidance of double taxation and investment protection. Bilateral trade relations have developed rapidly from $65 million in 1990 to $158 million in 1993, and 30 Thai investment projects capitalized at over $120 million have been licensed by Vietnam. Many Thai senior government leaders have called on Thai businessmen to increase investment and trade activities in Vietnam.

At a workshop held in Bangkok on Monday by the Thai newspapers THE NATION and BANGKOK BUSINESS [KRUNGTHEP THURAKIT], Thai Foreign Minister Prasong Sunsiri called for closer cooperation between his country's government and private sector to improve Thai competitiveness in Vietnam and Indochina.

Meanwhile, Thai businesspeople in Vietnam urge the Thai Government to promote an intergovernmental agreement on an Indochinese fund to help Thai businessmen in their competition and speed up the development of a system of road and maritime transport linking Thailand and Vietnam in order to promote trade and tourism.

The Vietnamese Ambassador Le Cong Phung told the Bangkok workshop that the U.S. lifting of the trade embargo and step by step moving towards normalisation with Vietnam would not derail Vietnam foreign policy and its external economic relations, particularly those towards countries in Southeast Asia.

### Do Muoi on Economic Development in North

*BK2402101494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Feb 94*

[Report by station correspondent Dao Nguyen]

[Summary] "Dear friends, on the occasion of the Vietnamese traditional new year, comrade General Secretary Do Muoi paid a working visit to Nam Ha and Thai Binh Provinces on 16-18 February. Accompanying the general secretary were Dang Vu Chu, minister of Light Industry; Hoang Qui, deputy minister of Heavy Industry; Nguyen

An, deputy chief of the party Central Committee Organization Department; assistants to the general secretary, and leading cadres of departments and branches of the party Central Committee."

During the visit, General Secretary Do Muoi welcomed achievements scored by these two provinces in socioeconomic development and agricultural production, especially Nam Ha which attained an average yield of 10 tonnes of rice per hectare in 1993. People in the province are doing well and the number of prosperous families is on the increase, 95 percent of villages have been supplied with electricity, 85 percent of villagers live in brick houses, and fresh water supply has reached the rural area.

In a meeting with the local cadres and people, comrade General Secretary Do Muoi said:

[Begin Do Muoi recording] "The party and state are very pleased to see changes for the better in Nam Ha Province thanks to efforts by the local people. Generally speaking, our people are still very poor. We are a lot better now in comparison with the era under French domination. We, however, are still far behind if we compare our people's standard of living with people in other countries. As a result, we must strive to improve our socioeconomic development. Our party has set lines and policies to firmly maintain national independence and called all people to integrate efforts to build the nation, strive to extricate the nation from poverty and backwardness; work hard to make our people prosperous, our nation powerful, and our society just and civilized. We must strive to ensure happiness and a better life for all people including ethnic minorities and religious groups throughout the country. To fulfill this task, first of all, we must strive to enhance the people's intelligence, provide them with better education, and enhance their background and capability. Moreover, we must strive to practice thrift and work hard to amass wealth while enhancing unity to ensure our happiness. Uncle Ho taught us: Unity, unity, great unity; success, success, great success. As a result, we must strive to enhance unity among people of various nationalities, religious groups, and within the entire party for the sake of national independence, freedom, and happiness of the people so as to write new pages of our glorious history. I hope that Nam Ha Province will be able to overcome all difficulties, extricate itself from poverty, and soon enjoy prosperity. On the new year occasion, I wish all comrades and countrymen in the province a happy and prosperous new year and success in building the party." [applause] [end recording]

In his talks with leading cadres and the executive committee of Nam Ha party organization, Comrade Do Muoi urged them to satisfactorily renovate the provincial economic structure in the direction of promoting agro-industry, export-import, and business. Nam Ha must strive to firmly grasp the spirit of the midterm national party conference resolution and turn it into concrete programs of action.

Dear friends, during his stay in Thai Binh Province, Comrade Do Muoi visited the Doan Ket Engineering Enterprise, the Hong Quan Textile Enterprise, and the Tien Hai Industrial Complex.

"At the Doan Ket Engineering Enterprise, Comrade Do Muoi was pleased to learn that during the past 35 years, the enterprise has firmly maintained and expanded production, producing various high quality bicycle spare parts. He urged the Ministry of Heavy Industry to help the enterprise especially in supply it with modern equipment.

"At the Hong Quan Textile Enterprise, Comrade Do Muoi highly appraised the enterprise's efforts in producing goods for export using the old machine and equipment left over by the Central Textile Factory."

Dear friends, Comrade Do Muoi also visited people in Le Loi, Lam Canh, and Khong Thai Villages in Kien Xuong District and heard their briefing on daily life activities and their production.

"In his talk with leading cadres and the executive committee of the provincial party organization, Comrade Do Muoi urged them to strive to promote modern agriculture on the basis of improving cultivation patterns to attain high economic results, develop processing industry, and help peasants to sell their products. He stressed that since the province has various favorable conditions, it must strive to develop the rural economy while promoting aquaculture and fishery to help the local people and fishermen increase their output and amass wealth."

## Australia

### Government Protests to U.S. on Barley Subsidies

*BK2502080294 Melbourne Radio Australia in English 0500 GMT 25 Feb 94*

[Text] Australia has again protested to the United States over the issue of subsidized grain production. John Webster reports that the protest was over subsidies for barley production.

[Begin Webster recording] The Australian Barley Board fears the latest subsidy of U.S.$66 per ton will deal a severe blow to South Australian and Victorian barley growers. The board's general manager, Michael Vanule, says world prices have dropped to their lowest in years and the subsidies will only compound the problem. The [words indistinct] more worried that the Americans and the Europeans are aggressively subsidizing barley so soon after the successful end of the GATT talks, which agreed on a formula to wind back agricultural subsidies. [end recording]

## Fiji

### Election Ends, Party Leaders' Positions Seen

*BK2502095694 Hong Kong AFP in English 0821 GMT 25 Feb 94*

[By Richard Breeze]

[Excerpt] SUVA, Feb 25 (AFP)—Fiji's sharpest politician, President Ratu Sir Kamisese Mara, took centre stage here Friday as voting in a week-long general election closed amid deep uncertainty. Most observers considered it unlikely that either of the rival Fijian groups would emerge from the poll strong enough on its own to provide this Pacific republic with a stable government.

Mara's job would be to hammer out a compromise agreement on a premier and a government as soon as possible after counting is complete, probably early Sunday.

Under a constitution stemming from a 1987 army coup, ethnic Fijians have a lock on the politics of this sugar-producing archipelago, with 37 seats in the 70-seat House of Representatives.

Ethnic Indians have 27 with five for European, Chinese or mixed-race members and one for the autonomous island of Rotuma. The same constitution says the president picks the premier, who must be a Fijian and have the support of the majority of the multi-racial parliament.

The big question Friday was how many votes the Fijian dissidents grouped in the Fijian Association (FA) would take from the ruling Soqosoqo ni Vakavulewa ni Taukei (SVT) party. The dissidents broke from the SVT over controversial budget proposals in November.

This split among the Fijians has spurred regional rivalries and SVT leader and premier Sitiveni Rabuka fears the election could further deepen divisions between Fijians. Rabuka says the SVT should win around 33 seats but shaky economic policies and criticism of Rabuka's mercurial management style could cost it votes.

Josevata Kamikamica, the FA's leader, is confident of wounding the SVT. "We are going to do well. We will get around 12 seats," he told AFP Friday as he sat quaffing kava with supporters outside a Suva polling station. "I would be quite happy to be premier. And we could look at having Rabuka in a goverment which I lead, but I won't serve in a government led by Rabuka," he said.

Mara, a 73-year-old veteran former premier, is Fiji's most seasoned politician and is one of the last of the great paramount chiefs. He sees himself in a role as father of the nation.

Political sources expect the hard-headed chief to move swiftly and decisively to get an agreement from Fiji's political party leaders on an acceptable premier. He seeks prompt agreement on a solidly-based government so as to boost both local and international confidence in the country, the sources said. "He could summon Rabuka and Kamikamica and tell them that he wants a quick agreement on a premier and a government," one Fijian source said.

One suggestion in political circles is that Fiji may emerge from the election with a minority government which had an understanding with other groups in parliament, particularly the Indian-dominated parties. The long-established National Federation Party (NFP) is widely expected to emerge stronger from the vote at the expense of its rival for the Indian vote, the National Labour Party.

NFP leader Jai Jam Reddy is seen as a Kamikamica backer, but it is suggested that his party could cut a deal with Rabuka if they thought him more open to their policy views. Top among these is a review of the constitution which has to be completed by July 1997. Nine parties and 23 independents contested this poll in the country's scattered islands. [passage omitted]